



K&R RAIL Engineering Limited

Corporate office

Plot No: 797/A, 3rd Floor,
KR Rail Bhavan, Road No 36,
Jubilee Hills, Hyderabad,
Telangana- 500033.



+91 40 29345259

+91 40 29345260



krrailengg@gmail.com



www.krrailengg.com

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.

Date: 06.09.2024

Dear Sir/ Madam,

Sub: Submission of Annual Report for the FY 2023-24

Unit: K&R Rail Engineering Limited (BSE Scrip Code: 514360)

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has, on Sunday, September 08, 2024, i.e. today, sent soft copy of the notice of 41st Annual General Meeting along with Annual Report for the F.Y. 2023-24 via email to those members who have registered their email addresses with the Company/Depositories.

This is for the information and records of the Exchange, please.

Yours faithfully
For K&R Rail Engineering Limited

Amit Bansal
Whole Time Director
(DIN: 06750775)

**K&R RAIL ENGINEERING LIMITED
41ST ANNUAL REPORT**

2023-2024

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Ms. Maniza Khan	-	Independent Director (DIN: 07146123)
Mr. Rabindra Kumar Barik	-	Independent Director (DIN: 08773785)
Mr. Sanjay Kotthapalli	-	Non-Executive Director (DIN: 00001401)
Mr. Sukesh Kumar Sharma	-	Executive Director (DIN: 08449196)
Mr. Amit Bansal	-	Executive Director (DIN: 06750775)
Mr. Shaik Suhail Nasir	-	Executive Director (DIN: 06866848)
Mr. Prahallada Rao	-	Chief Financial Officer (AKMPR1779B)
Mr. Narasimham	-	Company Secretary-cum-Compliance Officer (Membership No: 63132)

REGISTERED OFFICE:

3rd Floor, Sai Krishna, Plot No.797a, Road No.36,
Jubilee hills, Jubilee Hills, Hyderabad, Shaikpet,
Telangana, India, 500033
CIN: L45200TG1983PLC082576

STATUTORY AUDITORS:

M/s. P Murali & Co.,
Chartered Accountants
Address: 6-3-655/2/3, Somajiguda,
Hyderabad- 500082

INTERNAL AUDITORS:

M/s. E Srinivas and Co.,
Chartered Accountants
Address: F 402, H. No. 1-98/3/1/4 Suvarna Habitat
Cyberhills Colony, Jai Hind Enclave
Madhapur, Hyderabad- 500081

SECRETARIAL AUDITORS:

Dabas S & Co.
Sanjeev Dabas
Address: Office 110, B08, GD ITL Tower NSP
Pitampura, Delhi- 110034

BANKERS:

Kotak Mahindra Bank Limited
ICICI Bank Limited
Citi Bank

AUDIT COMMITTEE:

Ms. Maniza khan	-	Independent Director	-	Chairperson
Mr. Rabindra Kumar Barik	-	Independent Director	-	Member
Mr. Sanjay kothapalli	-	Non Executive Director	-	Member

NOMINATION & REMUNERATION COMMITTEE:

Mr. Rabindra Kumar Barik	-	Independent Director	-	Chairperson
Ms. Maniza khan	-	Independent Director	-	Member
Mr. Sanjay kothapalli	-	Non Executive Director	-	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Ms. Maniza khan	-	Independent Director	-	Chairperson
Mr. Rabindra Kumar Barik	-	Independent Director	-	Member
Mr. Sanjay kothapalli	-	Non Executive Director	-	Member

CORPORATE SOCIAL RESONSIBILITY COMMITTEE:

Ms. Maniza khan	-	Independent Director	-	Chairperson
Mr. Rabindra Kumar Barik	-	Independent Director	-	Member
Mr. Sanjay kothapalli	-	Non-Executive Director	-	Member

REGISTRAR & SHARE TRANSFER AGENTS:

Aarhi Consultants Private Limited
1-2-285, Domalguda, Hyderabad – 500 029
Phone: 040-27638111, 27634445
Email: info@aarhiconsultants.com

LISTED AT: Bombay Stock Exchange Limited

DEMAT ISIN NUMBER IN NSDL& CDSL: INE078T01026

WEBSITE: www.krrailengg.com

INVESTOR SERVICES E-MAIL ID: krrail1994@gmail.com

NOTICE

Notice is hereby given that the 41st Annual General Meeting of members of M/s. K&R Rail Engineering Limited will be held on Monday, the 30th Day of September 2024 at 10.00 A.M to be held through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following businesses:

Ordinary Business:

1. To receive, consider, approve and adopt

- a. the Standalone Audited Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.
 - b. the Consolidated Audited Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors thereon.
2. To appoint a director in place of Mr. Sukesh Kumar Sharma (DIN: 07956766), who retires by rotation and being eligible, offers himself for re-appointment.

3. Appointment of Statutory auditor of the company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and SEBI (LODR) Regulations, 2015 and pursuant to the approvals and recommendations of the Audit Committee and Board of Directors, M/s J Singh & Associates., Chartered Accountants, who have submitted their written consent and a certificate indicating that they satisfy the prescribed criteria, be and are hereby appointed as Statutory Auditors of the Company for a period of Five (5) years to hold office from the conclusion of this 41st Annual General Meeting until the conclusion of the 46th Annual General Meeting of the Company.”

“RESOLVED FURTHER THAT Mr. Amit Bansal, Director or any other Directors or Company Secretary and Compliance Officer be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, including filing of the necessary forms with the Registrar of Companies, Telangana at Hyderabad.”

Special business:

4. Approval for Sub-division/ split of existing 1 (One) Equity Share of face value of Rs. 10/- (Rupees Ten Only) each fully paid up into 10 (Ten) Equity Shares of face value of Rs. 1/- (Rupee One Only) each fully paid up.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 61(1)(d) and 64 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules framed thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force) and read with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable laws, rules and regulations for the time being in force, if any, prescribed by any relevant authorities from time to time, to the extent applicable, subject to the provisions of the Memorandum and Articles of Association of the Company, subject to such other approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, the approval of the members of the Company be and is hereby accorded, for sub-dividing the Equity Shares of the Company, such that 1 (one) Equity Share having Face value of Rs. 10/- (Rupees Ten Only) be sub-divided into 10 (ten) Equity Shares of face value of Re.1/- (Rupee One only) each fully paid-up, ranking pari-passu with each other in all respects, with effect from such date as may be fixed by the Board as the Record Date (“Record Date”).

RESOLVED FURTHER THAT pursuant to the sub-division of Equity Shares of the Company, all the Authorized, Issued, Subscribed and Paid-up Equity Shares of the nominal/face value of Rs. 10/- (Rupees Ten Only) each existing on the Record Date to be fixed by the Board of Directors of the Company (which shall include any Committee thereof), shall stand sub-divided into the Equity Shares of the nominal/face value of Rs. 1/- (Rupee One Only) each, as given below:

Type of Capital	Share Capital Structure (PreSub Division)			Share Capital Structure (Post Sub Division)		
	No of Equity Shares	Face Value (Rs.)	Total share capital (Rs.)	No of Equity Shares	Face Value (Re.)	Total share capital (Rs.)
Authorised Share Capital	4,58,50,000	10/-	45,85,00,000	45,85,00,000	1/-	45,85,00,000
Issued, Subscribed and Paid-up Capital	2,33,88,788	10/-	23,38,87,880	23,38,87,880	1/-	23,38,87,880

RESOLVED FURTHER THAT upon sub-division of equity shares as aforesaid, the number of sub-divided equity shares of the face value of Re. 1/- (Rupee One only) each, fully paid up, shall be credited to the respective beneficiary accounts of the shareholders maintained with their respective beneficiary accounts of the members with their respective depository participants, in lieu of the existing credits representing the equity shares of the Company of face value of Rs. 10/- (Rupees Ten only) each on the Record Date and the Company shall undertake such Corporate Action(s) as may be necessary in relation to the existing equity shares of the Company.

RESOLVED FURTHER THAT on sub-division, 10 (ten) Equity Shares of face value of Re. 1/- each be allotted in lieu of the existing 1 (One) Equity Share of face value of Rs. 10/- each subject to the terms of the Memorandum and Articles of Association of the Company which shall rank pari-passu in all respects with the existing fully paid Equity Shares of Rs. 10 /- each of the Company.

RESOLVED FURTHER THAT upon sub-division of equity shares, as aforesaid, Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company of face value of Re. 1/- each as may be required to be issued and allotted upon exercise of the Convertible Warrants held by the Warrant holder(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to make appropriate adjustments to ensure fair and reasonable adjustment to the entitlement of the warrant holders due to sub-division/split of equity shares as aforesaid to reflect such corporate actions, including but without limitation, suitable adjustment of the warrant issue price or warrant exercise price in the same proportion, as the present Face Value of the Equity Shares of the Company bears, to the newly sub divided face value of the equity shares, without affecting any rights and obligations of the Warrant holder(s), subject to necessary approvals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to agree to such changes/modifications as may be suggested by the Registrar of Companies, the Stock Exchanges or other competent authority or that may otherwise deem fit by the Board and to take such other steps as may be required to give effect to this resolution

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, to give such directions as they may in their absolute discretion deem necessary, proper or desirable, to settle any question, remove any difficulty, to agree to such changes/modifications as may be suggested by the Stock Exchanges, Registrar of Companies or any other competent authority and that may be deemed fit by the Board, with regard to the subdivision of the equity shares, adjustments in the pricing of the convertible warrants and the alteration of the capital clause of the Memorandum of Association of the Company, as aforesaid and to carry out/ execute all matters in connection therewith and incidental thereto in order to give

effect to this resolution including delegation of all or any of its powers herein conferred to any Committee of Directors and/ or any person(s) without any further approval of the shareholders.”

5. Alteration of capital clause of the memorandum of association of the company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the allied rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force) subject to such approvals, consents, permissions and sanctions as may be necessary from the concerned authority or bodies, and pursuant to the consent of the members for sub-division of equity shares, from existing 1 (one) Equity Share of face value of Rs. 10/- each into 10 (Ten) Equity Shares of face value of Re. 1/- each, the approval of the Members of the Company be and is hereby accorded for the alteration and substitution of the existing Clause V of the Memorandum of Association of the Company with the following new Clause V:

"V. The Authorized Share Capital of the Company is Rs . 60 ,00,00,000 (Rupees Sixty Crores only) divided into Rs . 45,85,00,000 (Rupees Forty-Five Crores and Eighty-Five Lakhs Only) divided into 45,85,00,000 (Rupees Forty-Five Crores and Eighty-Five Lakhs Only) equity shares of Rs . 1/- each and Rs . 14,15,00,000 (Rupees Fourteen Crores Fifteen Lakhs Only) divided into 1,41 ,50,000 (One Crore Forty-one Lakhs and fifty Thousand) 7% Optionally Convertible Redeemable Preference Shares of Rs .1 0 each."

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such necessary steps and actions as may be deemed expedient to give effect to this resolution including signing and execution of all such necessary documents as may be required in this regard.

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Place: Hyderabad
Date:13.08.2024

Sd/-
Maniza Khan
Chairperson

NOTES:

1. In view of the continuing Covid-19 pandemic and consequential restrictions imposed on the movements of people, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020 in conjunction with Circular No. 14/2020 dated April 08, 2020 and Circular No. 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 and 11/2022 dated December 28, 2022 (collectively referred to as “MCA Circulars”) and SEBI Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/ 11 dated January 15, 2021, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the MCA Circulars granted certain relaxations and thus permitted the holding of Annual General Meeting (“AGM”) of the companies through VC/OAVM viz. without the physical presence of the Members at a common venue. Hence in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA / SEBI Circulars, as applicable, the AGM of the Company is being held through VC / OAVM (e-AGM).
2. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”), as the authorized agency for conducting the AGM and providing remote e-Voting and e-Voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent notes.
3. Since the AGM will be held through VC, the Route Map is not annexed to this Notice. The registered office of the Company shall be deemed to be the venue for the AGM.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.
5. Compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 as aforesaid, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2023-24 will also be available on the Company’s website www.krrailengg.com website of the BSE Limited at www.bseindia.com and on the website of R&T Agent of the Company viz. Aarathi Consultants Private Limited.

Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy, DP ID (in case of electronic mode shares), folio No

(in case of physical mode shares) via e-mail at the Email Id – info@ arthiconsultants.com for obtaining the Annual Report and Notice of e-AGM of the Company electronically.

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. The facility of joining the e-AGM through VC / OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the e-AGM, and will be available for 1000 members on a first-come first-served basis. This rule would however not apply to participation in respect of large Shareholders (Shareholders holding 2% or more shares of the Company), Promoters, Institutional Investors, Auditors, Key Managerial Personnel and the Directors of the Company including Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2024 to 30.09.2024 (both days inclusive) for the purpose of AGM.
9. Mrs. Aakansha Sachin Duby, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the remote e-Voting/e-Voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman, or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result will also be displayed on the website of the Company at www.bseindia.com, (where the Company is listed) and www.evotingindia.com (agency providing e-Voting facility).
10. Members of the Company under the category of Institutional/Corporate Shareholders are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email at ssrfcs@gmail.com and the same should also be uploaded on the VC portal / e-Voting portal of CDSL.
11. Members who have not yet registered their e-mail addresses are requested to register the same with their DP in case the shares are held by them in demat mode and with RTA in case the shares are held by them in physical mode.
12. To register e-mail address for all future correspondence and update the bank account details, please follow the below process:

- a. Members holding shares in Demat mode can get their details registered/updated only by contacting their respective DP.
 - b. Members holding shares in physical mode may register their email address and mobile number with the RTA by sending an e-mail request to the email ID info@arthiconsultanst.com along with signed scanned copy of the request letter providing the email address and mobile number, self-attested copy of Permanent Account Number Card (“PAN”) and copy of a share certificate for registering their email address. Additional details like name and branch of Bank along with bank account type, bank account number, 9-digit MICR code, 11-digit IFSC code and scanned copy of cancelled cheque will be required for updating bank account details.
13. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in demat mode are, therefore, requested to submit their PAN to their DP. Members holding shares in physical mode are required to submit their PAN details to the RTA.
14. As per the provisions of Section 72 of the Companies Act, 2013 (“the Act”), the facility for submitting nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same with their DP in case the shares are held by them in demat mode, and to the RTA, in case the shares are held in physical mode.

15. **INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM:**

A. VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and applicable circulars, the Members are provided with the facility to cast their vote electronically (through remote e-Voting as well as the e-Voting system on the date of the AGM), through the e-Voting services provided by CDSL, on all the resolutions set forth in this Notice.
- ii. The remote e-Voting period commences on Friday, **the 27th day of September, 2024 (9.00 A.M. IST)** and ends on Sunday, **The 29th day of September, 2024 (5.00 P.M. IST)**. During this period, Members holding shares either in physical mode or in demat mode, as on **Monday, the 23rd day of September, 2024 i.e. cut-off date**, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. A person who is not a Member as on the Cut-off date should treat Notice of this Meeting for information purposes only.

- iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend/ participate in the AGM through VC but shall not be entitled to cast their vote again.
- iv. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Monday, the 23rd day of September, 2024.
- v. Any person or non-individual Shareholders (in physical mode/ demat mode) who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow the steps mentioned below.
- vi. **Login method for e-Voting and voting during the meeting for Individual Shareholders holding securities in demat mode.**

In terms of the SEBI circular dated December 9, 2020 on the e-Voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-Voting process has been enabled to all individual Shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility. Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ul style="list-style-type: none"> a. Users who have opted for Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. b. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider (“ESP”) i.e. CDSL, for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to

	<p>access the system of all ESP i.e. CDSL/NSDL/, so that the user can visit the ESP website directly.</p> <p>c. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/ EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. CDSL where the e-Voting is in progress.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>a. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com.</p> <p>b. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</p> <p>c. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider- CDSL and you will be re-directed to the CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>d. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.</p>

	<p>e. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>f. A new screen will open. You will have to enter your User ID (i.e. your 16 digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>g. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider-CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in Demat mode) login through their Depository Participants</p>	<p>d. You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>e. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>f. Click on Company name or e-Voting service provider name -CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use “Forget User ID” and “Forget Password” option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

vii. Login method for e-Voting and voting during the meeting for Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in demat mode.

- a) The shareholders should log on to the e-voting website www.evotingindia.com.
- b) Click on Shareholders tab/ module.
- c) Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f) If you are a first time user follow the steps given below:

Login type	For Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in demat mode.
PAN	Enter your 10-digit alpha-numeric “PAN” issued by Income Tax Department. Shareholders who have not updated their PAN with the

	Company/Depository Participant are requested to use the sequence number sent by RTA or contact RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- g) After entering these details appropriately, click on “SUBMIT” tab.
- h) Shareholders holding shares in physical mode will then directly reach the Company selection screen. However, Shareholders holding shares in Demat mode will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat account holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- k) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- m) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- p) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- q) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot password and enter the details as prompted by the system.
- r) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote e-Voting only.**
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (“POA”) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; ssrfcs@gmail.com if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC AND E-VOTING DURING THE AGM:

- i. The procedure for attending AGM and e-Voting on the day of AGM is same as the instructions mentioned above for e-Voting.
- ii. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- iii. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM.
- iv. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
- v. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- vi. Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.
- vii. Further Shareholders will be required to allow Camera (in case of speakers) and use Internet with a good speed to avoid any disturbance during the AGM.
- viii. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- ix. Members (holding shares as on Cut-off date) who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request, on or before Monday, the 23rd day of September, 2024, from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at krrailengineering@gmail.com. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

- x. Only those Shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- xi. If any Votes are cast by the Shareholders through the e-Voting available during the AGM and if the same Shareholders have not participated in the meeting through VC facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

- 16. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act, shall be available for inspection during the AGM at e-Voting portal.
- 17. Statement pursuant to Section 102(1) of the Act, in respect of the Special Business to be transacted at the AGM along with details pursuant to SEBI Regulations and other applicable laws are annexed hereto. All documents referred to in the accompanying Notice and the Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to krailengineering@gmail.com
- 18. The term 'Members' or 'Shareholders' has been used to denote Shareholders of K&R Rail Engineering Limited
- 19. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.krrailengg.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Place: Hyderabad
Date:13.08.2024

Sd/-
Maniza Khan
Chairperson

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 3: Appointment of Statutory auditor of the company

M/s. P Murli and co, Chartered Accountants Hyderabad, have tendered their resignation on 13.08.2024 from the position of Statutory Auditors for the financial year 2023-24. The Board of Directors of the Company pursuant to the recommendation of the Audit Committee, in their meeting held on 13.08.2024, approved appointment of M/s. J Singh & Associates., Chartered Accountants, Hyderabad as the Statutory Auditors of the Company, subject to the consent of the members.

The Audit Committee and the Board of Directors considered the following factors in recommending the appointment of M/s. J Singh & Associates as the Statutory Auditors of the Company:

- Performance of M/s. MSKC & Associates, as Statutory Auditors of the Company during their present tenure;
- Experience of the firm in handling audits of large global corporations;
- Competence of the leadership and of the audit team of the firm in conducting the audit of the financial statements of the Company;
- Ability of the firm to seamlessly scale and understand the Company's operations, systems and processes; and
- Geographical presence and ability of the firm in servicing the Company and its subsidiaries at multiple locations.

M/s. J Singh & Associates., Chartered Accountants having conveyed their consent for appointment as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made, will be within the limits specified under section 144 of the Companies Act. They have also confirmed that they are not disqualified from the appointment as Statutory Auditors in terms of the Provisions of Sections 139 (1), 141 (2) and 141 (3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Considering the above and their eligibility to be appointed as the statutory auditor for term of five (5) years under the applicable provisions of Guidelines issued by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the Board of Directors, Pursuant to recommendation of the Board Audit Committee, had approved the appointment of M/s. J Singh & Associates., as a statutory auditor for term of five (5) years.

Further, in terms of requirements of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended effective April 1, 2019, details of proposed remuneration and credentials of the proposed Statutory Auditors are provided below:

a	Proposed fees payable to the statutory auditor(s).	The proposed fee to be paid to M/s. J Singh & Associates, Chartered Accountants towards statutory audit and quarterly financial results and limited review reports along with the issuance of certificates in accordance with guidelines laid down under SEBI and Companies Act, 2013 for the financial year 2024-25 is aggregating to Rs.6,00,000/- plus applicable taxes along with out-of-pocket expenses.
b	Terms of appointment	the Statutory Auditors of the Company is being appointed for the period of five (5) years starting from conclusion of this AGM till the conclusion of 46 Annual general Meeting.
c	any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	there are no material changes in the fee payable to new Statutory Auditors
d	Basis of Recommendation for appointment/ Re-appointment	The Audit Committee and the Board of Directors, while recommending the

		appointment of M/s. J Singh & Associates, as the Statutory Auditor of the Company, have taken into consideration, among other things, the credentials of the firm and partners, track record for the firm and eligibility criteria prescribed under the Act.
e	credentials of the statutory auditor(s) proposed to be appointed	M/s. J Singh & Associates. Chartered Accountants is a professional services firm based in Mumbai. The Firm provides range of Advisory for Financial Services. Fraud Investigation & Forensic Services, Corporate Tax Planning, Valuation & Business Modelling, GST and Other Indirect Taxes, Accounting Compliance and Reporting and Risk Advisory services. The audit firm practice has significant experience in auditing listed and unlisted Companies.

Your Board of Directors recommend to pass the resolution for appointment of Statutory Auditors, as an Ordinary Resolution as set out at item no. 3 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives are in any way, interested or concerned in this resolution

Item No -4 Approval for Sub-division/ split of existing 1 (One) Equity Share of face value of Rs. 10/- (Rupees Ten Only) each fully paid up into 10 (Ten) Equity Shares of face value of Rs. 1/- (Rupee One Only) each fully paid up And

Item No -5 Alteration of capital clause of the memorandum of association of the company.

The Equity Shares of the Company are listed and traded on BSE Limited (BSE). Presently, the Authorised Share Capital of the Company is Rs. 45,00,00,000/- divided into 3,08,50,000 Equity shares of Rs. 10/- each & 1,41,50,000 Preference shares of Rs. 10/- each.

In order to improve the liquidity of the Company's Shares in the Stock Market and to make it more

affordable for individual retail investors and also to broad base the individual retail investors, the Board of Directors of the Company, at its Meeting held on Saturday, July 13, 2024 has recommended to subdivide (split) the face value of each Equity Share having a present value of Rs. 10/- (Rupees Ten Only) each into 10 (Ten) Equity Shares of face value of Re. 1/- (Rupee One Only) each, subject to approval of the Members, pursuant to the provisions of Section 61(1)(d) of the Companies Act, 2013 (“the Act”), the rules made thereunder and other applicable provisions. In the opinion of the Board, the proposed sub-division of the equity shares is in the best interest of the Company and its investors.

On Sub-division of Equity Shares of the Company, all the Authorized, Issued, Subscribed and Paid up 1 (One) Equity Shares of the face value of Rs. 10/- (Rupees Ten Only) each existing on the Record Date to be fixed by the Board of Directors of the Company, shall stand sub-divided / split into 10 (Ten) Equity Shares of the face value of Re. 1/- (Rupee One Only) each.

The record date for the aforesaid sub-division of equity shares shall be fixed by the Board after the approval of the members is obtained for the proposed sub-division / split. Upon approval of the Shareholders for sub-division of Equity Shares, in case the Equity Shares are held in physical form, the old Share Certificate(s) of the face value of Rs. 10/- each will stand automatically cancelled on the record date to be fixed by the Board and new certificate(s) of the face value of Re. 1/- each, fully paid up, will be dispatched to the Shareholders without necessity of surrendering the old Share Certificate(s) of the face value of Rs. 10/- each. In case the Equity Shares are held in dematerialized form, the sub-divided Equity Shares will be directly credited to the Shareholder’s Demat account on the record date in lieu of their existing Equity Shares.

There will not be any change in the amount of authorized, subscribed and paid-up share capital of the Company on account of sub-division of equity shares. The sub-division of equity shares proposed under item No. 4 of this Notice shall also require amendment to the existing Clause V of the Memorandum of Association of the Company as set out under items no. 5 of this Notice.

The Board recommends passing of the said resolutions set out at item nos. 4 and 5 by the members as Ordinary Resolutions separately.

None of the directors or Key Managerial personnels of the Company or their respective relatives is concerned or interested financially or otherwise, in the Resolutions set out at Item Nos. 4 and 5 except to the extent of the equity shares of the company held by them.

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Place: Hyderabad
Date: 13.08.2024

Sd/-
Maniza Khan
Chairperson

DIRECTORS' REPORT

**To the Members,
K&R Rail Engineering Limited
Hyderabad, Telangana, India**

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or 'KRRAIL') along with the audited Financial statement for the financial Year ended March 31, 2024. The Consolidated performance of the Company and its subsidiaries has been referred to where required.

1. Financial summary/highlights:

The performance during the period ended 31st March, 2024 has been as under:

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Turnover/Income (Gross)	61223.31	30778.49	66240.58	38985.39
Other Income	347.64	37.25	350.03	37.25
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1,462.14	1217.31	1591.26	1379.11
Less: Depreciation/ Amortisation/ Impairment	330.01	310.48	330.22	310.69
Profit /loss before Finance Costs, Exceptional items and Tax Expense	1,132.13	906.83	1,261.04	1068.42
Less: Finance Costs	136.82	167.92	167.29	182.92
Profit /loss before Exceptional items and Tax Expense	995.31	738.91	1093.75	885.50
Add/(less): Exceptional items	0.00	0.00	0.00	0.00
Profit /loss before Tax Expense	995.31	738.91	1093.75	885.50
Less: Tax Expense (Current & Deferred)	-283.42	-216.60	-315.29	-257.38
Profit /loss for the year (1)	711.89	522.31	778.46	628.12
Total Comprehensive Income/loss (2)	0	4.36	2.46	4.36
Total (1+2)	711.89	526.68	776.00	632.48

Balance of profit /loss for earlier years	--	2461.99	--	0.00
Less: Transfer to Debenture Redemption Reserve	--	--	--	--
Less: Transfer to Reserves	--	--	--	--
Less: Dividend paid on Equity Shares	--	--	--	--
Less: Dividend paid on Preference Shares	--	--	--	--
Less: Dividend Distribution Tax	--	--	--	--
Balance carried forward	--	2988.67	--	632.48

2. Overview & state of the company's affairs:

Revenues – Standalone

During the year under review, the Company has recorded an income of Rs. 61223.31 Lakhs and profit of Rs. 526.68 Lakhs as against the income of Rs. 30815.74 Lakhs and profit of Rs. 526.68 Lakhs in the previous financial year ending 31.03.2023.

Revenues – Consolidated

During the year under review, the Company has recorded an income of Rs. 66240.58 Lakhs and profit of Rs. 778.46 Lakhs as against the income of Rs. 38985.39 Lakhs and profit of Rs. 628.12 Lakhs in the previous financial year ending 31.03.2023.

The Company is looking forward for good profit margins in near future.

3. Dividend:

Keeping the Company's growth plans in mind, your directors have decided not to recommend dividend for the year.

4. Transfer to reserves:

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

5. Investor Relations:

The Company continuously strives for excellence in its Investor Relations engagement with International and Domestic investors through structured conference-calls and periodic investor/analyst interactions like individual meetings, participation in investor conferences, quarterly earnings calls and analyst meet from time to time. The Company ensures that critical information about the Company is available to all the investors, by uploading all such information on the Company's website.

6. Material changes & commitment affecting the financial position of the company:

There have been no material changes and commitments affecting the financial position of the Company which have occurred during the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

7. Significant & material orders passed by the regulators or courts or tribunals:

No significant or material orders have been passed against the Company by the Regulators, Courts or Tribunals, which impacts the going concern status and company's operations in future.

However, Hon'ble NCLT, Hyderabad Bench, vide orders dated 29.05.2023 extended the Period of Redemption of Optionally Convertible Redemption of Preference Shares (OCRPS) for five years from 15.12.2020 to 14.12.2025 as prayed for by the Company.

8. Transfer of un-claimed dividend to Investor Education and Protection:

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

9. Details of Nodal Officer:

The Company has designated Mr. Amit Bansal, Executive Director of the Company as Nodal Officer for the purpose of IEPF.

10. Investor Education and Protection Fund (IEPF):

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules")

read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (“IEPF”), constituted by the Central Government. However, the company does not have any un-paid or un claimed dividend in the Past to be transferred to IEPF.

11. Revision of financial statements:

There was no revision of the financial statements for the year under review.

12. Change in the nature of business, if any:

The Company has not undergone any change in the nature of business during the FY 2023-24.

13. Deposits from public:

The Company has not accepted any public deposits during the Financial Year ended March 31, 2024 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet and hence, there has been no non-compliance with the requirements of the Act.

14. Depository System:

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

15. Subsidiary companies:

Your Company has one subsidiary namely Robsons Engineering & Construction Private Limited as on March 31, 2024.

In accordance with Section 129(3) of the Act, Consolidated Financial Statements have been prepared which form part of this Annual Report. As required under Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing

the salient features of the financial statements of the subsidiary in the prescribed form AOC-1 is enclosed as **Annexure – B** to this Report.

In accordance with Section 136 of the Act, the separate audited accounts of the subsidiary company will be available on the website of the Company, www.krrailengg.com and the Members desirous of obtaining the accounts of the Company's subsidiary may obtain the same upon request. These documents will be available for inspection by the members, till the date of AGM during business hours at registered office of the Company.

The Policy for determining Material Subsidiaries, adopted by your Board, in conformity with the SEBI Listing Regulations can be accessed on the Company's website at www.krrailengg.com

16. Performance highlights of key operating subsidiary:

F.Y 2023-24 Rs.

Turnover	50,17,26,665
Profit Before Tax	1,14,36,733
Profit After Tax	82,50,701

17. Companies which have become or ceased to be subsidiaries:

During the FY 2023-24, there was no change in subsidiaries. For further analysis on the consolidated performance, the attention is invited to the section on Management Discussion and Analysis and notes to the consolidated financial statements.

18. Investment in subsidiary:

During financial year 2023-24, the Company had not infused any capital in Subsidiary Companies.

19. Independent director's familiarization programmes:

Independent Directors are familiarized about the Company's operations, businesses, financial performance and significant development so as to enable them to take well-informed decisions in timely manner. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. Direct meetings with the Chairperson are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2023-24 are also disclosed on the Company's website and its web link is [http:// www.krrailengg.com](http://www.krrailengg.com)

20. Board Evaluation

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement.

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held in February 2024. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors. The Board upon discussion noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

The detailed procedure followed for the performance evaluation of the Board, Committees and Individual Directors is enumerated in the Corporate Governance Report.

21. Meetings of the Board:

During the year, 10 (Ten) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meeting, attendance by the directors is given in the Corporate Governance Report forming an integral part of this report.

22. Committees of the Board:

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship and CSR Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year have been enumerated in Corporate Governance Report forming part of this Annual Report.

23. Audit Committee Recommendations:

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

24. Directors and key managerial personnel:

As on date of this report, the Company has Six Directors, out of which two are Independent Directors including one Woman Independent Director.

a) Appointment/Re-appointment of Directors of the Company:

In accordance with the provisions of the companies Act, 2013 and Articles of Association of the company Mr. Sukesh Kumar Sharma, Executive Director, retire by rotation and being eligible, offers himself for re-appointment.

b) Resignation/ Cessation of Directors of the Company:

During the Year Mr. Suresh Solanki (DIN 09462065) was resigned as Director (Executive - Non Independent) with effect from 13th April, 2024.

During the year, Mr. Shaik Suhail Nasir (DIN: 06866848) was appointed as Director (Executive - Non Independent) with effect from 13th April 2024.

c) Key Managerial Personnel:

Key Managerial Personnel for the financial year 2023-24

- Mr. Shaik Suhail Nasir, Executive Director of the Company.
- Mr. Amit Bansal, Whole Time Director & CEO of the Company.
- Mr. K. Prahallada Rao, Chief financial officer of the company.
- Mr. Narasimhan Mangavally, Company Secretary & Compliance Officer of the Company.

25. Statutory audit and auditors report:

The members of the Company at their Extra Ordinary General Meeting held on 11th May, 2024 have appointed M/s P Murali & Co., as statutory auditors of the Company to hold office until the conclusion of 41th Annual General meeting of the Company.

M/s. P Murli and co., Chartered Accountant, who have tendered their resignation vide their letter dated 13.08.2024, from the position of Statutory Auditors of the Company for the reasons mentioned in the said letter.

As the term of P Murli and co., Chartered Accountants is going to end in the upcoming Annual general meeting. The Board of Directors in its meeting held on 13.08.2024 has appointed M/s. MIs. J Singh & Associates Chartered Accountants as the Statutory Auditors of the Company for the period of five years from the conclusion of the 41st Annual General Meeting for the FY 2023-24 till the conclusion of the 46th Annual General Meeting for the FY 2028-29, subject to the approval of the shareholders in the ensuing Annual General Meeting.

26. Statutory Auditors Qualification:

The qualifying remarks, reported by the Statutory Auditor in their report for the Standalone Financials for the year ended 31st March, 2024 and the explanations of the management are tabulated below:

Sl. No	Observation/ Qualification	Explanation by the Management
1.	The company has converted 53,91,224 share warrants into equity shares on 02.05.2023 and 16.08.2023 as mentioned in the note no.5 of the financials results.	The Company has converted 53,91,224 Share Warrants of face value of Rs 10/-at an issue price of Rs 71.60 into Equity shares during the 1st and 2nd quarters of the FY 2023-24 and a certificate in this regard has been obtained from the then statutory auditors M/s. Chowdary & Rao, Chartered Accountants.
2.	The company has utilised the proceeds of issue of share warrants of an amount of Rs. 33.20 Crore for red emption of 8,16,388 preference shares of face value of Rs.10/- each at Rs. 796.19 which is not in accordance with objects of the preferential issue as per resolution of the EGM dated 10th February 2023. Subsequently, the company has modified and approved to include the utilization of funds for	The Company has originally passed a Resolution in their EGM dated 10 th February, 2023 for objects of the preferential issue/particulars of the offer. Subsequently, the Company has passed resolution for Modification of the objects of the preferential issue in the EGM dated 6th July, 2024 to include the utilisation of proceeds of Share warrants for Redemption of

	redemption of preference shares in the EGM dated 7th July, 2024 (Refer to Note No.6 of the financial results).	optionally convertible Redeemable Preference Shares.
3.	Some of the Trade Receivables/ Trade Payables are subject to confirmations & reconciliations. There are long outstanding balances of Trade Receivables / Trade Payables, but the company has not made any provision for the same.	Since the Management is in the process of recovering the Receivables and negotiating with the Creditors, it is in the opinion that a provision is not necessary at this juncture.

The qualifying remarks, reported by the Statutory Auditor in their report for the Consolidated Financials for the year ended 31st March, 2024 and the explanations of the management are tabulated below:

Sl. No	Observation/ Qualification	Explanation by the Management
1.	The Holding company has converted 53,91,224 share warrants into equity shares on 02.05.2023 and 16.08.2023 as mentioned in the note no.5 of the financial results	The Holding Company has converted 53,91,224 Share Warrants of face value of Rs 10/-at an issue price of Rs 71.60 into Equity shares during the 1 st and 2 nd quarters of the FY 2023-24 and a certificate in this regard has been obtained from the then statutory auditors M/s. Chowdary & Rao, Chartered Accountants.
2.	The Holding company has utilised the proceeds of issue of share warrants of an amount of Rs. 33.20 Crore for redemption of 8,16,388 preference shares of face value of Rs.10/- each at Rs. 796.19 which is not in accordance with objects of the preferential issue as per resolution of the EGM dated 10th February 2023. Subsequently, the company has modified and approved to include the utilization of funds for redemption of preference shares in the	The Management has originally passed a Resolution in their EGM dated 10 th February, 2023 for objects of the preferential issue/particulars of the offer. Subsequently, the Company has passed resolution for Modification of the objects of the preferential issue in the EGM dated 6th July, 2024 to include the utilisation of proceeds of Share warrants for Redemption of

	EGM dated 7th July, 2024 (Refer to Note No.6 of the financial results).	optionally convertible Redeemable Preference Shares.
3.	Some of the Trade Receivables/ Trade Payables are subject to confirmations & reconciliations. There are long outstanding balances of Trade Receivables / Trade Payables, but the company has not made any provision for the same.	Since the Management is in the process of recovering the Receivables and negotiating with the Creditors, it is in the opinion that a provision is not necessary at this juncture.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

27. Internal audit:

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review, the Internal Audit of the functions and activities of the Company was undertaken by M/s E Srinivas & Co., the Internal Auditor of the Company.

Deviations if any, are reviewed periodically and due compliance was ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to the Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

28. Secretarial Audit & Audit Report:

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed Mr. Sanjeev Dabas Practicing Company Secretary (CP No. 24418) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2024.

The Secretarial Audit was carried out by Mr. Sanjeev Dabas Practicing Company Secretary (CP No. 24418) for the financial year ended March 31, 2024. The Report given by the

Secretarial Auditor is annexed herewith as Annexure-L and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation nor adverse remark.

29. Annual Secretarial Compliance Report:

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. Further, Secretarial Compliance Report dated May 30, 2024, was given by Mr. Sanjeev Dabas, Practicing Company Secretary which was submitted to Stock Exchanges within 60 days of the end of the financial year.

30. Cost records and cost audit:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

31. No Frauds reported by statutory auditors

During the Financial Year 2023-24, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

32. Declaration by the Company

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

33. Conservation of energy, technology absorption and foreign exchange outgo:

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder and Rule 8 of Companies (Accounts) Rules, 2014:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

C. Foreign Exchange Earnings and Out Go:

1. Foreign Exchange Earnings: Nil
2. Foreign Exchange Outgo: Nil

34. Management discussion and analysis report:

Management discussion and analysis report for the year under review as stipulated under Regulation 34(2) (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is annexed herewith as Annexure- G to this report.

35. Risk management policy:

The Board of Directors had constituted Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

36. Corporate governance:

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Regulations. A separate section on Corporate Governance, forming a part of this Report and the requisite certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance as Annexure E.

37. Annual Return:

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 is also available on the Company's website URL: www.krrailengg.com

38. Authorised and paid-up capital of the company:

The Authorised capital of the company stands at Rs. 45,00,00,000 (Rupees Forty-Five Crores only) divided into Rs. 30,85,00,000 (Rupees Thirty Crores and Eighty-Five Lakhs Only) divided into 3,08,50,000 (Three Crores Eight Lakhs and Fifty Thousand) Equity Shares of Rs. 10/- each, and Rs.14,15,00,000 (Rupees Fourteen Crores and Fifteen Lakhs Only) divided into 1,41,50,000 (One Crore Forty-one Lakhs and Fifty Thousand) 7% Optionally Convertible Redeemable Preference Shares of Rs.10/- each.

The board of Directors in its meeting held on 02.05.2023 allotted 34,59,976 equity shares of face value of Rs.10/- each to fully paid-up pursuant to the exercise of 34,59,976 convertible warrants (partial conversion of the outstanding warrants) on receipt of Rs 53.70 per warrant - being 75% of the balance warrant issue price, aggregating to Rs.18,58,00,712. (Issue price is Rs.71.60/- per convertible Warrant).

The board of Directors in its meeting held on 28.08.2023 has approved Allotment of 22,17,459 equity shares of face value of Rs.10/- each to fully paid-up pursuant to the exercise of 22,17,459 convertible warrants (partial conversion of the outstanding warrants) on receipt of Rs 53.70 per warrant - being 75% of the balance warrant issue price, aggregating to Rs.11,90,77,550/- (Issue price is Rs.71.60/- per convertible Warrant).

39. Declaration of independence:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with both the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations attached as Annexure K.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the PIDs of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

40. Director's Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that for the financial year ended March 31, 2024:

- a) in the preparation of the annual accounts for the financial year ended 31 March 2024, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31 March 2024 and of the profit and loss of the Company for the financial year ended 31 March 2024;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

41. Vigil Mechanism/Whistle Blower Policy:

The Company has formulated a Vigil Mechanism / Whistle Blower Policy pursuant to Regulation 22 of the Listing Regulations and Section 177(10) of the Act, enabling stakeholders to report any concern of unethical behaviour, suspected fraud or violation.

The said policy inter-alia provides safeguard against victimization of the Whistle Blower. Stakeholders including directors and employees have access to the Managing Director & CEO and Chairperson of the Audit Committee.

During the year under review, no stakeholder was denied access to the Chairperson of the Audit Committee.

The policy is available on the website of the Company at www.krrailengg.com

42. Corporate social responsibility policy:

Since your Company has a net profit of exceeding Rs. 5 Cr for the financial year 2023-24, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is applicable and hence the Company has adopted Corporate Social Responsibility Policy which is placed on website of the Company www.krrailengg.com

43. Secretarial Standards:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to “Meetings of the Board of Directors” and “General Meetings”, respectively.

44. Insurance:

The properties and assets of your Company are adequately insured.

45. Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not given any loans, guarantees and investments to Robsons Engineering & Constructions Private Limited (a Subsidiary Company)

46. Internal Financial Control Systems:

Your Company has well laid out policies on financial reporting, asset management, adherence to Management policies and also on promoting compliance of ethical and well-defined standards. The Company follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the internal auditors.

The internal audit is conducted at the Company and covers all key areas. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

47. Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2023-24, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed & approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure- C** to this report.

48. Policy on director's appointment and remuneration:

In adherence to the provisions of Section 134(3)(e) and 178(1) & (3) of the Companies Act, 2013, the Board of Directors upon recommendation of the Nomination and Remuneration Committee approved a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a Director and other matters. The said Policy extract is covered in Corporate Governance Report which forms part of this Report and is also uploaded on the Company's website at www.krrailengg.com

49. Particulars of Employees and related Disclosure:

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure–D** to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and other applicable rules (if any) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding

During the year none of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- per month and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act,2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

50. Implementation of Corporate Action

During the year under review, the Company has complied with the specified time limit for implementation of Corporate Actions.

51. Shares transferred to investor education and protection fund:

No shares were transferred to the Investor Education and Protection Fund during the year under review.

52. Ratio of remuneration to each director:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Mr. Amit Bansal, Executive Director of the Company to the median remuneration of the employees is 14 times and of Mr. Prahlada Rao CFO of the Company is 7 times.

53. Non-executive directors' compensation and disclosures:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

54. Industry based disclosures as mandated by the respective laws governing the company:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

55. Failure to implement corporate actions:

During the year under review, no corporate actions were done by the Company

56. Corporate insolvency resolution process initiated under the insolvency and bankruptcy code, 2016.

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

57. Policies:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website (<https://www.krrailengg.com/investors/policies>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Name of the policy	Brief Description	Website link
Board Diversity Policy	At K&R Rail Engineering Limited, we believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board	https:// www.krrailengg.com

	has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.	
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the Directors, key managerial personnel and other employees.	https:// www.krrailengg.com
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties.	https:// www.krrailengg.com
Code of conduct for the prevention of insider trading:	The policy regulates all transactions of the insiders in this scrips of the Company.	https:// www.krrailengg.com
CSR Policy	The Corporate Social Responsibility activities to be undertaken by the Company.	https:// www.krrailengg.com

58. Statutory compliance:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

59. Code of conduct for the prevention of insider trading:

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading (“Insider Trading Code”) and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (“UPSI”).

The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at <https://www.krrailengg.com>

60. CEO/CFO Certification:

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certification is attached with the annual report as **Annexure I**.

61. Prevention of sexual harassment at workplace:

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. An Internal Complaints Committee (“ICC”) has been set up by the senior management (with women employees constituting the majority). The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the financial year ended March 31, 2024, no complaints pertaining to sexual harassment have been received.

62. Green Initiatives:

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 41st Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

63. Event Based Disclosures

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee’s stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA

5. Buy back shares: NA
6. Disclosure about revision ratings: NA

64. Disclosure pursuant to Part A of Schedule V of SEBI LODR

Disclosure pursuant to Part-A of Schedule V read with Regulation 34(3) of SEBI is attached as **Annexure-H** of this report.

65. Other Disclosures:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- c. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiary.

66. Appreciation & acknowledgement:

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

Your Directors also wish to place on record their appreciation of business constituents, banks and other "financial institutions and shareholders of the Company like SEBI, BSE, , NSDL, CDSL, ICICI Bank and Axis Bank etc. for their continued support for the growth of the Company.

For and on behalf of the Board of Director
K&R Rail Engineering Limited

Place: Hyderabad
Date:13.08.2024

Sd/-
Maniza Khan
Chairperson

**Statement containing salient features of the financial statement of subsidiaries/
associate companies/ joint ventures**

Part "A": Subsidiaries

Name of the subsidiary	Robsons Engineering & Construction Private Limited
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01st April 2023 – 31st March, 2024
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
3. Share capital (Rs.)	1,00,000
4. Reserves & surplus	1,89,52,685
5. Total assets	15,20,79,125
6. Total Liabilities	15,20,79,125
7. Investments	NIL
8. Turnover	50,17,26,665
9. Profit before taxation	1,14,36,733
10. Provision for taxation	31,86,032
11. Profit after taxation	82,50,701
12. Proposed Dividend	NIL
13. % of shareholding	100%

The following information shall be furnished:-

- 1. Names of subsidiaries which are yet to commence operations – K&R GLOBAL L.L.C - FZ**
- 2. Names of subsidiaries which have been liquidated or sold during the year- NA**

Part "B": Associates and Joint Ventures –

Name of Associates/Joint Ventures			
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end No. Amount of Investment in Associates/Joint Venture Extend of Holding %			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
6. Networth attributable to Shareholding as per latest audited Balance Sheet			
7. Profit / Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation			

The following information shall be furnished:-

- 1. Names of associates or joint ventures which are yet to commence operations. NA**
- 2. Names of associates or joint ventures which have been liquidated or sold during the year.- NA**

For and on behalf of the Board of Director
K&R Rail Engineering Limited

Place: Hyderabad
Date:13.08.2024

Sd/-
Maniza Khan
Chairperson

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
•	Name (s) of the related party & nature of relationship	AF CONSULTANTS Prop: Mr AJAZ FAROOQI Shareholder / Member
•	Nature of contracts/arrangements/transaction	Advance for Services
•	Duration of the contracts/arrangements/transaction	
•	Salient terms of the contracts or arrangements or transaction including the value, if any	
•	Date of approval by the Board	
•	Amount paid as advances, if any	Rs 22 lakhs

SL. No.	Particulars	Details
•	Name (s) of the related party & nature of relationship	Asma Estates & Investments Private Limited Preference Share holder & Share Warrant holder
•	Nature of contracts/arrangements/transaction	Payment of Rent
•	Duration of the contracts/arrangements/transaction	3 Years
•	Salient terms of the contracts or arrangements or transaction including the value, if any	
•	Date of approval by the Board	
•	Amount paid as Rent for the year	Rs 21 lakhs

SL. No.	Particulars	Details
•	Name (s) of the related party & nature of relationship	Azmir Builders Private Limited Share holder
•	Nature of contracts/arrangements/transaction	Sales to the above party
•	Duration of the contracts/arrangements/transaction	
•	Salient terms of the contracts or arrangements or transaction including the value, if any	
•	Date of approval by the Board	
•	Amount of Transactions	Rs 1102.15 Lakhs

For and on behalf of the Board of Director

K&R Rail Engineering Limited

Place: Hyderabad
Date:13.08.2024

Sd/-
Maniza Khan
Chairperson

ANNEXURE – VII (b)

Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

(Amount in Rs.)

S No.	Name of the Employee	Designation of the employee	Remuneration received Rs in lakhs	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	AMIT BANSAL	CEO & DIRECTOR	24.00	FULL TIME	AMIE	17/11/2017	52		No	No
2	K.PRAHALLAD A RAO	CFO	12.00	FULL TIME	B.COM - CA Inter 1 Gr.	09-06-2021	55		No	No
3	BHAVANARAYANA	CAD - HEAD	9.02	FULL TIME	B.Tech (Civil)	06-01-2021	56		No	No
4	MANOJ KUMAR JHA	GM - BUSINESS DEVELOPMENT	7.20	FULL TIME	B.SC (Honours)	28/2/2023	56		No	No
5	ANKUSH RATHOD	Project - Surveyor	7.00	FULL TIME	B.Tech (Civil)	08-01-2017	37		No	No
6	HARI BRAHMAM	MANAGER ACCOUNTS	6.00	FULL TIME	B.COM	27.05.2022	48		No	No
7	MOHAMMED FOWJUDEEN	PROJECT - HEAD	14.40	FULL TIME	B.Tech (Civil)	6.12.2022	44		No	No
8	MULLAH THOUFIQH	MANAGER - MAINTENANCE	6.00	FULL TIME	B.Tech (Civil)	23.12.2021	38		No	No
9	KRISHNA PRADEEP Y	GM - LEGAL	6.12	FULL TIME	BA LLB	09.05.2022	48		No	No
10	VENKATA KARTHIK PALAMURI	GM - SYSTEMS ADMIN	6.00	FULL TIME	B.TECH (CS)	10.11.2021	40		No	No

For and on behalf of the Board of Director
K&R Rail Engineering Limited

Place: Hyderabad
Date:13.08.2024

Sd/-
Maniza Khan
Chairperson

Annexures-J to the Director's Report
COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
K&R Rail Engineering Limited
Hyderabad

I have examined the compliance of conditions of Corporate Governance by K&R Rail Engineering Limited ('the Company'), for the Financial Year ended 31st March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management of the Company, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dabas S & Co.

Sd/

Sanjeev Dabas

Practicing Company Secretary
M.No. A65138 & C.P.No. 24418

Place: Hyderabad

Date: 13.08.2024

Annexure-I
COMPLIANCE CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI LODR, 2015

To
The Board of Directors
K&R Rail Engineering Limited

We, Amit Bansal, Chief Executive officer and Kulkarni Prahallada Rao, Chief Financial Officer of K&R Rail Engineering Limited (“Company”) to the best of our knowledge and belief certify that:

1. We have reviewed standalone as well as consolidated financial statements and the cash flow statement of the Company for the quarter/year ended 31st March, 2024 and to the best of their knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the listed entity’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
 - a. There have not been any significant changes in internal control over financial reporting during the year;
 - b. There have not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. There have not been any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Place: Hyderabad
Date: 13.08.2024

Sd/-
Amit Bansal,
Chief Executive Officer(CEO)

Sd/-
Prahallada Rao
Chief Financial Officer (CFO)

Annexure- H
Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
K&R Rail Engineering Limited
3rd Floor, Sai Krishna, Plot No.797 A,
Road No.36, Jubilee Hills,
Hyderabad, Telangana, 500033

I have examined the relevant registers, records, forms, returns and disclosures received from K&R Rail Engineering Limited having CIN L45200TG1983PLC082576 and having registered office at K&R Rail Engineering Limited 3rd Floor, Sai Krishna, Plot No.797 A, Road No.36, Jubilee Hills, Hyderabad, Telangana, 500033 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No	DIN No	Name of the Director	Designation
1.	07146123	Ms. Maniza Khan	Independent Director
2.	08773785	Mr. Rabindra Kumar Barik	Independent Director
3.	00001401	Mr. Sanjay Kotthapalli	Non-Executive Director
4.	08449196	Mr. Sukesh Kumar Sharma	Executive Director
5.	06750775	Mr. Amit Bansal	Executive Director
6.	06866848	Mr. Shaik Suhail Nasir	Executive Director

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express

an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dabas S & Co.

Place: Hyderabad

Date: 13.08.2024

Sd/

Sanjeev Dabas

Practicing Company Secretary

M.No. A65138 & C.P.No. 24418

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2024
{Pursuant to Section 204(1) of the Companies Act, 2013 and
rule 9 of the Companies (Appointment and Remuneration
of Managerial Personnel) Rules, 2014}

To,

The Members,

K&R RAIL ENGINEERING LIMITED

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **K&R RAIL ENGINEERING LIMITED** (hereinafter called K&R RAIL/ the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the K&R RAIL books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial period ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **K&R RAIL ENGINEERING LIMITED** (“the Company”) for the financial year ended on 31st March, 2024 according to the provisions of:
 - a. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - b. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **N.A**

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) is furnished hereunder for the financial year 2023-24:
 -

 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., www.krrailengg.com
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not Applicable as there was no reportable event during the financial year under review;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable as the Company has not issued any Employee Stock Options during the year under review.
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not Applicable as the Company has not issued any debt securities during the year under review.
 - f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.
 - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
3. I have also examined compliance with the applicable clauses of the following:
- a. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
 - b. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.
 - c. Listing Agreements entered into by the Company with BSE Limited.
4. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.

5. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, i report that
- a. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ ADRs or any Commercial Instrument under the financial year under report.
 - b. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
 - c. External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - d. Foreign Direct Investment (FDI) was complied by the company under the financial year under report;
 - e. Overseas Direct Investment by Residents in Joint Venture/ Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

I further report that:-

- The Company has Whole Time Director Namely Mr. Amit Bansal
 - The company has a Company Secretary namely Mr. Narasimham
 - The Company has the internal auditors namely M/s. E Srinivas & Co., Chartered Accountants, Hyderabad.
 - The company has a chief financial officer namely Mr. K. Prahallada Rao,
6. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above including the following:
- a. During the year the Company has conducted 10 meetings of the Board of Directors, 6 Meetings of Audit Committee meeting, 2 Nomination and Remuneration Committee Meetings, 4 meeting of Stakeholders and Relationship Committee Meeting and 1 meeting of Independent Directors Committee Meeting.
 - b. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - c. Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

- d. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- e. I further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. other than those already disclosed to Stock Exchange i.e., BSE.
- f. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Dabas S & Co.

Sd/-

Sanjeev Dabas

M. No: A65138, COP: 24418

Peer Review Certificate No: 5677/2024

Date: 15.07.2024

Place: New Delhi

UDIN: A065138F000747446

This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

ANNEXURE: A

To,

The Members,
K&R RAIL ENGINEERING LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records, registers is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Dabas S & Co.

Sd/-

Sanjeev Dabas

M. No: A65138, COP: 24418

Peer Review Certificate No: 5677/2024

Date: 15.07.2024

Place: New Delhi

UDIN: A065138F000747446

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2024
{Pursuant to Section 204(1) of the Companies Act, 2013 and
rule 9 of the Companies (Appointment and Remuneration
of Managerial Personnel) Rules, 2014}

To,

The Members,

ROBSONS ENGINEERING & CONSTRUCTIONS PRIVATE LIMITED

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **ROBSONS ENGINEERING & CONSTRUCTIONS PRIVATE LIMITED** (hereinafter called ROBSONS / the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the ROBSONS books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial period ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **ROBSONS ENGINEERING & CONSTRUCTIONS PRIVATE LIMITED** (“the Company”) for the financial year ended on 31st March, 2024 according to the provisions of:

- e. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - f. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;NA
 - g. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; NA
 - h. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; NA
7. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) is furnished hereunder for the financial year 2023-24:

- j. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011; **NA**
 - k. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **NA**
 - l. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **NA**
 - m. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **NA**
 - n. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: **NA**
 - o. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **NA**
 - p. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **NA**
 - q. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **NA**
 - r. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **NA**
8. I have also examined compliance with the applicable clauses of the following:
- a. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
 - b. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company. **NA**

I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations , Guidelines, Standards, etc . mentioned above subject to the following observation:

Observations:

I report that the Board of Directors of the Company is duly constituted. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through were captured and recorded as part of the minutes of the meeting.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and Company is in process of reviewing & strengthening the same.

For Dabas S & Co.

Date: 15.07.2024

Place: New Delhi

UDIN: A065138F000549589

Sd/-

Sanjeev Dabas

M. No: A65138, COP: 24418

Peer Review Certificate No: 5677/2024

This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

ANNEXURE: A

To,

The Members,

ROBSONS ENGINEERING & CONSTRUCTIONS PRIVATE LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records, registers is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Dabas S & Co.

Sd/-

Sanjeev Dabas

M. No: A65138, COP: 24418

Peer Review Certificate No: 5677/2024

Date: 15.07.2024

Place: New Delhi

UDIN: A065138F000549589

Annexures-K to the Director's Report
DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. K&R Rail Engineering Limited

Dear Sir,

Sub: Declaration under sub-section (6) of section 149 of the Companies Act 2013 and Regulation 16 (1)(b) of SEBI (LODR) Regulations, 2015:

I, Maniza Khan hereby declare that I am an Independent Director of K&R Rail Engineering Limited and comply with all the criteria of Independent Director envisaged under Sub-section (6) of Section 149 read with IV of the Companies Act, 2013 and Sub-Regulation (b) of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship /transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives
 - i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
 - ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - iii. as given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

- iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
 - v. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Neither me nor my relatives:
- i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - iii. holds together with my relatives 2% or more of the total voting power of the company; or.
 - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
6. I am not below the age of 21 Years.
7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.
8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director. and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Yours Faithfully,

Sd/-

**Maniza Khan
(Independent director)**

**Date: 30.05.2024
Place: Hyderabad**

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. K&R Rail Engineering Limited

Dear Sir,

Sub: Declaration under sub-section (6) of section 149 of the Companies Act 2013 and Regulation 16 (1)(b) of SEBI (LODR) Regulations, 2015:

I, Rabindra Kumar Barik, hereby declare that I am an Independent Director of K&R Rail Engineering Limited and comply with all the criteria of Independent Director envisaged under Sub-section (6) of Section 149 read with IV of the Companies Act, 2013 and Sub-Regulation (b) of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship /transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives
 - i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
 - ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - iii. as given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

v. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

5. Neither me nor my relatives:

i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;

iii. holds together with my relatives 2% or more of the total voting power of the company; or.

iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

6. I am not below the age of 21 Years.

7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.

8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director. and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

**Yours Faithfully,
Sd/-**

Date: 30.05.2024

Place: Hyderabad

**Rabindra Kumar Barik
(Independent director)**

MANAGEMENT DISCUSSIONS



Indian Economy Railway:

India's railway system is considered the foundation of the country's economy. The railways are the main mode of transportation for freight and passengers, and they also enable other activities like business, sightseeing, and pilgrimages. The railways have also been an important integrating force for over 150 years, connecting the country's economic life and accelerating the development of agriculture and industry.

The Indian railway system is the fourth largest in the world, covering thousands of kilometers and spanning almost the entire country. In 2021, the railways generated \$16 billion in freight revenue and aimed to contribute 1.5% to the country's GDP by supporting 45% of the economy's modal freight share. In June 2024, the railways recorded a 10.07% increase in freight loading compared to the same period in 2023, and earned INR 14,798.11 Cr from freight loading, compared to INR 13,316.81 Cr in 2023. In January 2024, the railways moved 142.7 million tonnes of freight, which was 2.7% higher than December 2023.

The Indian railway market is expected to grow at a healthy rate and become the third largest in the world in the next five years, accounting for 10% of the global market.

Railway Budget 2024-25:


The Indian Railways budget for the financial year **2024-2025** is over ₹2.55 Lakh Crore, which is a 5.85% increase from the previous year's budget. This is a record allocation for the Ministry of Railways. The budget includes ₹2.52 Lakh Crore for capital expenditure (capex), which is a 5% increase from the previous year. An additional ₹10,000 Crore has also been allocated from extra-budgetary resources.

The budget is expected to focus on safety, with around ₹1.08 trillion allocated to critical safety works such as repairing and overhauling old lines and Kavach. The government's commitment to improving and expanding India's railway infrastructure is also evident in the budget, which includes plans to construct and manufacture 400 new-generation Vande Bharat Express trains over the next three years. Key Highlights of Budget 2024-25 are as below:

- Development of three major railway economic corridors:
 - **Energy, Mineral, and Cement Corridor:** *This corridor aims to streamline the transportation of energy resources, minerals, and cement, enhancing the efficiency of freight movement.*
 - **Port Connectivity Corridor:** *This corridor will improve the connectivity between major ports and the hinterland, facilitating smoother and faster movement of goods.*
 - **High Traffic Density Corridor:** *Designed to handle high volumes of passenger and freight traffic, this corridor will help in decongesting existing routes and improving overall rail traffic management.*

- Rs 1,132 crore for Railway Infrastructure development Projects in Bihar
 - *Substantial funds for redevelopment of 92 stations in Bihar under the Amrit Bharat Station Scheme (ABSS).*
 - *New Railway Projects worth over Rs 79,356 crore, focusing on new lines, track doubling, and gauge conversion in Bihar.*
- Rs 9,151 crore for Railway Infrastructure Projects in Andhra Pradesh this includes the construction of new tracks, enhanced safety measures with new bridges, and the redevelopment of 73 stations.
- Leveraging Private Sector Expertise and Investment to enhance Public-Private Partnerships (PPPs) for the development and modernization of Indian Railway Network.


India's railway development reflects a remarkable stride towards modernization and improved connectivity, showcasing the Government's commitment to enhancing transportation infrastructure for the nation's progress.



K&R Rail Engineering Limited to meet the last mile Rail Connectivity carrying out survey for the following clients:

- 1. SAGAR CEMENT AT DHACHAPALLY, ANDHRA PRADESH.**
- 2. KCP CEMENT AT MACHERLA.**
- 3. KCP CEMENT AT MUKTYALA.**
- 4. NTPC RAMAGUNDAM, ANDHRA PRADESH.**
- 5. TUNA TEKRI PORT IN SALAYA**
- 6. SHREE CEMENT IN KARNATAKA**

The total expected order book value is more than Rs. 4,000/- Crores. K&R Rail Engineering Limited is also a shortlisted bidder for various Railway Projects in Indian Railway. K&R Rail Engineering Limited also entered into joint venture agreement with UNECO, South Korea for manufacturing and supply of Composite Sleepers for High Speed Railway Track to meet the export requirements to the countries directly from the Indian subcontinent and also meet the supply requirement of Indian Railways.



Global Economy Railways:

Railways has globally emerged as the choice of mass transit system because it helps in mitigating the global concerns wrt. the climate change, sustainable development etc. Hence, every country looking to develop further is taking inspiration from countries like Japan, Korea, EU, China, Singapore etc to build modern railway infrastructure. Countries adding railway infrastructure include Saudi Arabia, Egypt, UAE, Qatar, Algeria, Iraq, Morocco, Kuwait, Bahrain etc. The estimated value of railway contracts is over US\$ 150 billion.

The World Bank brings its expertise and long experience to reforming and managing railways. Today, the World Bank is doing railway research and analysis in over 20 countries. Across Africa, Asia, the Middle East and eastern Europe, the Bank is supporting 16 investment projects worth \$6.9 billion U.S. dollars. Apart from this following are the new railway projects in Global market.

- France/Italy. Lyon-Turin Rail Link.
- Japan. Maglev Project (RTRI)
- Portugal. RAVE (Portuguese High-Speed Rail Network Company)
- Saudi Arabia. North-South Railway Project.
- Saudi Rail Expansion Projects.
- Sweden. Botnia Railway Project. Switzerland. Alp Transit Project.

K&R Rail Engineering Limited to capture the business in the middle east and other countries has established 100% subsidiary by name K&R Global LLC in Dubai, UAE and under process of establishing an office in Jeddah, Saudi Arabi which will become operational in another 2-3 months.

K&R Rail Engineering Limited entered into joint venture agreement with UNECO, South Korea for design, manufacture and supply of Special Composite Sleepers for High Speed Railway Track to meet the export requirements to the middle east countries directly from the Indian subcontinent and also to meet the supply requirement of Indian Railways.

K&R Rail Engineering Limited entered is in advance stage of negotiation with Saudi Arabia company M/s MADAF T&C Co. Ltd., Riyadh for Railway Projects of Rail Connectivity between AZI/Nariyah yard to Ras Al Khair (RAK) and Zabirah Junction to Hail IMY in Saudi Arabia for movement of Bauxite.

K&R Rail Engineering Limited is shortlisted for construction of new railway line on Engineering Procurement Construction (EPC) contract of new BG line for 10.70 Km between Sircilla (Incl.) & Vemulawada (Incl.) Stations in connection with Manoharabad - Kothapalli new BG line project in the state of Telangana" between Sricilla – Manoharabad section of South-Central Railway.

K&R Rail Engineering Limited is shortlisted for construction of new railway line on Engineering Procurement Construction (EPC) contract of 39.5 kms new BG line Between Hire kotangaland Mamadapur under Ginigera (GIN) –Raichur (RC) New Line Project.

Annexure-E to the Director's Report
REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at K&R Rail Engineering Limited is as follows:

1. Company's Philosophy on Corporate Governance:

Company's endeavour is to maximize shareholder value. KR Rail is committed to adopt best governance practices and its adherence in true spirit at all times. It has strong legacy of fair, transparent and ethical governance practices.

Company has adopted a code of conduct which is applicable to all employees and is posted on the website of the Company. The Company also has in place a code for preventing insider trading.

Company is fully compliant with the requirements of the listing regulations and applicable corporate governance norms and is committed to ensuring compliance with all modifications within the prescribed time.

2. Board diversity:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, www.krrailengg.com

3. Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company framed the following policies which are available on Company's website i.e. www.krrailengg.com

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarization program for Independent Directors
- Sexual Harassment Policy

- Related Party Policy
- Code of Conduct for Board of Directors and Senior Management Personnel.
- Code of Conduct for Prevention of Insider Trading (“Insider Trading Code”)
- CSR Policy

4. KRRAIL’ code of conduct for the prevention of insider trading:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website

5. Board of Directors:

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2023, the Company’s Board comprised of Six Directors, out of which three are executive Directors and one Non-Executive Director. Further, there are two independent Directors on the Board including One Women Director. In terms of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and section 149 of Companies Act 2013, the company is required to have one third of total Directors as independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the total strength other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

6. Skills / Expertise / Competencies of the Board of Directors;

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company’s business and that the said skills are available with the Board Members:

Maniza Khan	None	Independent Director	10	10	30/09/2023	NONE	3	2
Rabindra Kumar Barik	None	Independent Director	10	10	30/09/2023	NONE	3	1
Sanjay Kotthapalli	None	Non-Executive Director	10	10	30/09/2023	NONE	3	0
Sukesh Kumar Sharma	None	Executive Director	10	10	30/09/2023	NONE	NA	NA
Amit Bansal	None	Executive Director	10	10	30/09/2023	NONE	NA	NA
Suresh Solanki	None	Executive Director	10	10	30/09/2023	NONE	NA	NA

The Name of other listed entities where directors of the company are directors and the category of directorship are shown in following table:

Sr. No.	Name of Director	Name of the Listed Companies in Which Director is Director	Nature of Directorship
		None	

9. Information supplied to the board:

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the Managing Director is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Annual business plan

- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring.
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company.
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Familiarization program for independent directors:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year.

The Company's Policy of conducting the Familiarization Program and details of such familiarization program during the year, is placed on its website viz., www.krrailengg.com

11. Committees of the board:

The Company has Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee and CSR Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

12. Performance Evaluation of Board, Committees and Directors:

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2023-24 on February 19, 2024, involving the following:

- i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
- ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on February 19th, 2024, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole. All IDs were present at the said meeting.

The evaluation was performed based upon various parameters as follows:

- (i) **Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- (ii) **Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- (iii) **Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, bringing independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- (iv) **Chairperson:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

(v) **Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5 and 5 being outstanding.

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

Observations of Board evaluation carried out for the year	No observations.
Previous year's observations and actions taken	Since no observations were received, no actions were taken.
Proposed actions based on current year observations	Since no observations were received, no actions were taken.

13. Declaration by Independent Directors:

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Act.

14. Declaration by Board:

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management. During the year under review, no Independent Director has resigned before expiry of his tenure.

15. Audit committee:

Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

A. Brief Description of Terms of Reference: -

Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (ODR) Regulations, 2015 read with Schedule II thereof, inter alia, includes:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- c. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- d. Approval of payment to statutory auditors for any other services rendered by them.
- e. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
 - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements
 - vi) Disclosure of any related party transactions;
 - vii) Modified opinion(s) in the draft audit report;
- f. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- g. Examination of the financial statement and the auditors' report thereon;
- h. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- i. Approval or any subsequent modification of transactions with related parties;
- j. Scrutiny of inter-corporate loans and investments;

- k. Review of valuation of undertakings or assets of the company wherever it is necessary;
- l. Evaluation of internal financial controls and risk management systems;
- m. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- n. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- q. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- r. Review the functioning of the whistle blower mechanism;
- s. Review and monitor the end use of funds raised through public offers and related matters;
- t. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- u. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- v. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.
- w. Review of the following information:
 - management discussion and analysis of financial condition and results of operations;

- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice in terms of Regulation 32(7).
- The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- Carrying out any other function as may be referred to the Committee by the Board.
- Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

B. Internal Audit:

The Company has adequate internal control and Internal Audit system commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

C. Composition, Meetings & Attendance:

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Ms. Maniza Khan, as Chairperson of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March 2024 are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Ms. Maniza Khan	Chairperson	NED(I)	4	4
Mr. Rabindra Kumar Barik	Member	NED(I)	4	4
Mr.Sanjay Kothapalli	Member	NED	4	4

The Audit Committee met 4 times during the financial year 2023-24 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: 30th May, 2023, 11th August 2023, 14th November 2023 and 19th February 2024. Requisite quorum was present at the above Meetings.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

During the year, the Audit Committee inter alia reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

The Chairperson of the Audit Committee was present at the Annual General Meeting of the Company held on 30th September 2023.

16. Nomination and remuneration committee:

The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC includes:

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.

- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of Directors.
- Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries.
- Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- Oversee familiarization programs for Directors.

- Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
- Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.
- Perform other activities related to the charter as requested by the Board from time to time.

A. Composition of the committee, meetings and attendance during the year:

There were Two Nomination and Remuneration Committee Meetings held during the financial year 2023-24 on 25.08.2023 & 19.02.2024.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Rabindra Kumar Barik	Chairman	NED(I)	2	2
Ms. Maniza Khan	Member	NED(I)	2	2
Mr. Sanjay Kothapalli	Member	NED	2	2

17. Stakeholder's relationship committee:

Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Act, 2013 which inter-alia include:

- (i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.
- (iii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iv) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

- (v) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee comprises of 3 Directors out of which 2 are independent. In the financial year 2023-24, 4 meeting of the Committee were held on 30th May, 2023, 11th August 2023, 14th November 2023 and 19th February 2024. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Ms. Maniza Khan	Chairperson	NED(I)	4	4
Mr. Rabindra Kumar Barik	Member	NED	4	4
Mr. Sanjay Kothapalli	Member	NED	4	4

18. Performance evaluation criteria for independent directors:

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

Policy:

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
 - General understanding of the company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

2.1 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant laws.

3. Criteria of independence

3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.3 The independent Director shall abide by the “code for independent Directors “as specified in Schedule IV to the companies Act, 2013.

4. Other directorships/ committee memberships

4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director’s service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

4.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

4.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

19. Name and designation of compliance officer:

Mr. Narasimham is the Company Secretary & Compliance Officer of the Company.

20. Details of complaints/requests received, resolved and pending during the year 2023-24:

Number of complaints	Number
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on	0
Number of complaints resolved	0
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2024	0
Complaints pending as on March 31, 2024	0
Number of Share transfers pending for approval, as on March 31, 2024	0

21. Pecuniary Relationship or Transactions of the Non-Executive Directors Vis-À-Vis The Listed Company:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

A. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

Policy:

1. Remuneration to Executive Director and key managerial personnel

1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

2. Remuneration to Non – Executive Directors

2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3. Remuneration to other employees

3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

B. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2023-24 AND OTHER DISCLOSURES:

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Ms. Maniza Khan		10,000		--	--	--	--
Mr. Rabindra Kumar Barik		10,000		--	--	--	--
Mr. Sanjay Kotthapalli		10,000	--	--	--	--	--
Mr. Sukesh Kumar Sharma	9,00,000		--	--	--	--	--
Mr. Amit Bansal	24,00,000		--	--	--	--	--
Mr. Suresh Solanki	45,00,000		2,35,000	--	--	--	--

21. Independent directors' meeting:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 13.02.2023, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program is given at company's website ([www.krrailengg.com/ Investor Relations](http://www.krrailengg.com/Investor%20Relations)).

viii) Remuneration policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

Policy for selection of directors and determining directors' independence:

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 "Director" means a director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 "Director" means a director appointed to the Board of the company.

2.2 "Key Managerial Personnel" means

- (i) The Chief Executive Office or the Managing Director or the Manager;
- (ii) The Company Secretary;
- (iii) The Whole-Time Director;
- (iv) The Chief Finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3“Nomination and Remuneration committee” means the committee constituted by Board in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

22. Non-executive directors’ compensation and disclosures:

None of the Independent/Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

23. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has allotted 34,59,976 convertible Share Warrants at Rs.53.70/- per warrant to the Promoters and Non-Promoters has approved by Board in their meeting held as on 02nd May, 2023.

The Company has allotted 22,17,459 convertible Share Warrants at Rs.53.70/- per warrant to the Promoters and Non-Promoters has approved by Board in their meeting held as on 28th August, 2023.

The Company has 62,03,817 outstanding convertible Share Warrants as at the end of the financial year 2023-24.

24. Number of shares and convertible instruments held by nonexecutive directors:

None of the Non-executive Directors hold equity shares or convertible instruments of the Company.

25. Disclosure of commodity price risks and commodity hedging activities: The Company has no hedging of any commodities at present.

26. Details on general body meetings:

A. Location, date and time of last three AGMs and special resolutions there at as under:

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2022-23	30.09.2023	10.00 AM	3rd Floor, Sai Krishna, Plot No.797 A, Road No.36, Jubilee	2 Ordinary Resolution & 1

			Hills, Hyderabad, Telangana, 500033	Special Resolutions
2021-22	30.11.2022	2.00 PM	12-5-32/8, Bhatukammakunta Vijapuri, South Lallaguda Secunderabad Hyderabad TG 500017	5 Ordinary Resolutions & 3 Special Resolutions
2020-21	30.09.2021	2.00 PM	12-5-32/8, Bhatukammakunta Vijapuri, South Lallaguda Secunderabad Hyderabad TG 500017	3 Ordinary Resolutions & 1 Special Resolutions

B. Location, date and time of EGM held during F.Y.2023-24 and special resolutions there at as under:

Extraordinary General Meeting of the Company was held as on 08th January, 2024 for Appointment of statutory auditor to fill the casual vacancy caused by resignation:

27. Passing of Resolutions By Postal Ballot

There were no resolutions passed by the Company through Postal Ballot during the financial year 2023-24.

28. Means Of Communication:

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with Members through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Business Standard and Navatelangana. These results are also made available on the website of the Company [https:// www.krrailengg.com/investor-relations/ quarterly-results/](https://www.krrailengg.com/investor-relations/quarterly-results/). The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts.

All price sensitive information and matters that are material to Members are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results,

Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company [https:// www.krrailengg.com](https://www.krrailengg.com).

29. General shareholder information:

A. Annual general meeting:

The 41st Annual General Meeting of the Company will be held as per the following schedule:

Day	Monday
Date	30.09.2024
Time	10.00 AM
Venue	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). The AGM shall be deemed to be held at 3rd Floor, Sai Krishna, Plot No.797 A, Road No.36, Jubilee Hills, Hyderabad, Telangana, 500033

B. Financial Year Calendar 2024-25 (Tentative Schedule)

The financial calendar (tentative) shall be as under:

Financial Year	2024-25
First Quarterly Results	14.08.2024
Second Quarterly Results	14.11.2024
Third Quarterly Results	14.02.2025
Fourth Quarterly Results	29.05.2025
Annual General Meeting for year ending 31st March, 2025	30.09.2025

C. Dividend Payment Date: No Dividend was declared during the Financial Year 2023-24.

D. Listing on stock exchanges & address:

The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE). The Company has paid the listing fees for the year 2023-24 to both the Stock Exchanges.

BSE Limited
KR RAIL
Address: BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai- 400001.

E. Stock Market Price Data: BSE Limited

Bombay Stock Exchange (BSE)				
Month	Open Price	High Price	Low Price	Close Price
Apr 23	410	410.05	341.7	361.1
May 23	353.9	544	350.05	501.95
Jun 23	509.95	520	466.15	496.3
Jul 23	500	607.7	438.8	598.2
Aug 23	573.05	621	551.3	597.35
Sep 23	611.6	835	566	752.4
Oct 23	786.3	863.35	700	728.5
Nov 23	714	789	700.1	741.75
Dec 23	728	762.5	661	716
Jan 24	728.45	799	680	781.15
Feb 24	781	800	642.55	674.25
Mar 23	650.05	683.95	507.2	546.9

F. Performance in comparison to Board based indices:



G. Registrar and share transfer agents:

M/s. Aarthi Consultants Private Limited
Address: 1-2-285, Domalguda, Hyderabad – 500 029
Phone: 040-27638111, 27634445
Email: info@aarthiconsultants.com

H. Share transfer system:

The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects. The Company Secretary has been empowered to approve the transfer of shares.

Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and dispatched within a period of 15 days from the date of receipt.

According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

I. Distribution of Shareholding as on 31st March, 2024:

CATEGORY	NUMBER OF SHAREHOLDERS	%	AMOUNT	%
1 – 5000	20536	98.83	6397990	3.02
5001 – 10000	88	0.42	640670	0.3
10001 – 20000	34	0.16	510930	0.24

20001 – 30000	19	0.09	478900	0.23
30001 – 40000	9	0.04	317360	0.15
40001 – 50000	7	0.03	312670	0.15
50001 – 100000	22	0.11	1695200	0.8
100001 and above	65	0.31	201350570	95.11
	20780	100	211713290	100

J. Dematerialisation & liquidity of shares:

KR Rail Shares are tradable in Electronic Form. The Company has established electronic connectivity through Aarthi Consultants Private Limited with both the depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE078T01026. As on March 31, 2024 98.48% of the shares were held in Dematerialised form and the rest in physical form.

Particulars	No. of Shares	% Share Capital
NSDL	1,79,42,626	54.39
CDSL	27,26,178	8.26
PHYSICAL	5,02,525	1.52
Total	2,11,71,329	64.18

Reason for such difference in the % of share capital is because the company had made an allotment of 22,17,459 equity shares on October 03, 2023, upon the conversion of warrants into equity shares. The listing approvals is awaited from BSE.

We request the shareholders whose shares are held in physical mode to dematerialize the shares and update their bank accounts with the depository participants.

K. Book closure date:

The date of Book Closure for the purpose of Annual General Meeting and determining the shareholders' entitlement for dividend shall be from 24.09.2024 to 30.09.2024 (both days inclusive).

L. Electronic connectivity:

Demat ISIN Number: INE078T01026

M. National Securities Depository Limited

Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013.

N. Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25th floor,
NM Joshi Marg, Lower Parel, Mumbai 400013

O. Shareholding Pattern as on 31st March, 2024:

S. No.	CATEGORY OF SHAREHOLDER	No. of shares held	Percentage of shareholding
(A)	PROMOTER AND PROMOTER GROUP		
(1)	INDIAN:		
(a)	Individual	51,13,365	24.15
(b)	Others	67,03,515	31.66
	Sub-Total A(1) :	1,18,16,880	55.81
(2)	FOREIGN:	--	
(a)	Individuals	--	
	Sub-Total A(2) :	--	
	Total A=A(1)+A(2)	1,18,16,880	55.81
(B)	PUBLIC SHAREHOLDING		
(1)	INSTITUTIONS:		
(a)	Financial Institutions /Banks	--	
(b)	Foreign Institutional Investors	--	
	Sub-Total B(1) :	--	
(2)	NON-INSTITUTIONS:		
(a)	Bodies Corporate	6,29,902	2.97
(b)	Individuals	86,80,048	40.99
	Sub-Total B(2) :	93,09,950	43.96
(C)	OTHERS:		
(1)	HUF	23,069	0.10
(2)	EMPLOYEES	--	
(3)	CLEARING MEMBERS	--	
(4)	FOREIGN BODIES	--	

(5)	FOREIGN NATIONALS	--	
(6)	CORPORATE BODY - OTHERS	--	
(7)	NON RESIDENT INDIANS	21,080	0.10
(8)	TRUSTS	--	
	Sub-Total C:	44,149	0.20
	Total B=B(1)+B(2) :	93,09,950	43.97
	Total (A+B) :	2,11,26,830	99.79
	GRAND TOTAL (A+B+C) :	2,11,70,979	100

P. Disclosures:

A. Materially Significant Related Party Transactions

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The Audit Committee has issued omnibus approval for the Related party transactions with in the limits. Transactions with the Related Parties as required under Ind AS are disclosed in Note No.35 of the standalone financial statements forming part of this Annual Report.

B. Compliances

No Penalties were imposed during the period under Report.

C. Whistle Blower Policy (Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non- mandatory requirements:

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

E. Policy on Material Subsidiaries

In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015 the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website: www.krrailengg.com

F. Policy on Related Party Transactions

The Policy on dealing with Related Party Transactions is available on the Company's website: www.krrailengg.com

G. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) etc.,

During the year ended 31st March 2024, there were no proceeds from public issues, rights issues, preferential issues etc.

H. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

I. Recommendations of Committees of the Board

There were no instances during the financial year 2023-24 wherein the Board had not accepted the recommendations made by any Committee of the Board.

J. Total fee for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part;

Payment to Auditors	Amount in Rs. (INR)
Statutory Audit fees including limited review	5,00,000/-
Certification & other attest services	1,00,000/-
Non-audit services	--
Outlays and Taxes	--
Total	6,00,000

K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual

Harassment at Workplace ('POSH') which is available on the website of the Company. There was on Complaints received during the financial year.

Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V:

The company has complied with the requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

L. Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

With regard to discretionary requirements, the Company has adopted clauses relating to the internal auditor directly reporting to the Audit Committee.

M. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes. Regulation 46(2)(b) to (i) Functional Website

N. Disclosure with respect to Demat suspense account/unclaimed suspense account

There are no instances with respect to Demat suspense account/unclaimed suspense account.

O. Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has framed the following policies which are available on Company's website i.e. www.krrailengg.com

- Board Diversity Policy
- Policy on preservation of Documents
- Policy for Materiality.

P. Code of Conduct

The Board of Directors has laid down a 'Code of Conduct' (code) for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. Annual declaration is obtained from every person covered by the code.

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information, in order to align the same with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

Q. Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules.

R. Non-Executive Directors' Compensation and Disclosures

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

S. CEO/ CFO Certification

In terms of regulation 17(8) of the Listing Regulations, the CFO made a certification to the Board of Directors which has been reviewed by the Audit Committee and taken on record by the Board and enclosed as Annexure-I to this Annual Report.

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Place: Hyderabad
Date:13.08.2024

Sd/-
Amit Bansal
Executive Director (DIN: 06750775)

Annexure-F

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel as required under Regulation 26(3) of the Listing Regulations for the FY 2023-24.

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Place: Hyderabad
Date:13.08.2024

Sd/-
Maniza Khan
Chairperson

INDEPENDENT AUDITOR'S REPORT

To the Members of
K&R RAIL ENGINEERING LIMITED

Report on the Audit of Standalone IND AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of **K&R RAIL ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone Ind AS Financial Statements").

Based on the information and explanations provided to us, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, we are of the opinion that the aforesaid standalone financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on 31st March 2024.

Basis for Qualified Opinion

1. The company has converted 53, 91,224 share warrants into equity shares on 02.05.2023 and 16.08.2023 as mentioned in the note no.41 of the financial statements.
2. The company has utilized the proceeds of issue of share warrants of an amount of Rs. 33.20 Crore for redemption of 8,16,388 preference shares of face value of Rs.10 each at Rs. 796.19 which is not in accordance with objects of the preferential issue as per resolution of the EGM dated 10th February, 2023. Subsequently, the company has modified and approved to include the utilization of funds for redemption of preference shares in the EGM dated 7th July, 2024(Refer to Note No.42 of the financial statements).
3. Some of the Trade Receivables/Trade Payables are subject to confirmations & reconciliations. There are long outstanding balances of Trade Receivables/Trade Payables, but the company has not made any provision for the same.

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We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For Each Matter below, our description of how our audit addressed the matter is provided in that Context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>Revenue recognition –</p> <ul style="list-style-type: none">• The Company engages in Fixed Price Contracts, wherein, revenue is recognized using the percentage of completion method i.e. as and when the work executed by the Company and duly certified by the Client, the Company recognize income to that extent.• There is inherent risk and presumed fraud risk around the accuracy and existence of revenues recognized considering the customized and	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We have assessed the Company's accounting policies relating to revenue, by comparing with applicable accounting standards.• We have assessed the design and implementation and tested the operating effectiveness of Company's internal controls over the revenue recognition.• On selected / specific contracts, we tested that the revenue is recognized in accordance with revenue recognized Standard.• Inspected the underlying documents to determine reasonableness of contract costs.

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<p>complex nature of these contracts.</p> <ul style="list-style-type: none">• These contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Company at the year end, significant amount of work in progress related to these contracts are recognized on the balance sheet.• Given the complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	
<p>Regulations - Litigations and claims</p> <ul style="list-style-type: none">• The Company operates in various states within India and is exposed to different Central and State/Local laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigations and claims.• Consequently, provisions and contingent liability disclosures may arise from indirect tax proceedings, legal proceedings, including regulatory and other government/department proceedings, as well as Investigations by authorities and commercial claims.• The Company applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required for each matter• Resolution of tax and legal proceedings may span over multiple years due to the highly complex nature and magnitude of the legal matters involved and may involve protracted negotiation or litigation.• These estimates could change	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We have gained an understanding of outstanding litigations against the Company from the Company's in-house legal counsel and other key managerial personnel who have knowledge of these matters• We have read the correspondence between the Company and the various tax/legal authorities and the legal opinions of external legal advisors, where matters.• We have tested the completeness of the litigations and claims by examining, on a sample basis, the Company's legal expenses and minutes of the board meetings.• We have challenged the Company's estimate of the possible outcome of the disputed cases based on applicable tax laws and legal precedence by involving our tax specialists.• We have assessed the adequacy of the Company's disclosures in respect of contingent liabilities for tax and legal matters.

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<p>significantly over time as new facts emerge and each legal case progresses.</p> <ul style="list-style-type: none">• Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	
<p>Recognition and measurement of Income Taxes</p> <ul style="list-style-type: none">• The determination of provision for income tax and deferred taxes including write backs of provisions involves significant judgements and estimates and interpreting the prevailing tax laws and rules.• These also involve significant judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.• Considering the complexity and significant level of estimation and judgement, this is a key audit matter.	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We have obtained an understanding of key tax matters.• We have read and analysed select key correspondences, external legal opinions/ consultations obtained by the Company for key tax matters.• We have critically challenged the key assumptions made by the Company in estimating current and deferred taxes by involving our tax specialists.• We have assessed the adequacy of the Company's disclosures for income taxes in the standalone financial statements.

Information Other than the Standalone Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Relevant Rules 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to

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those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
- 2.
3. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and except for the effects of the matters described in the *Basis for Qualified opinion paragraphs*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects of the matters described in the *Basis for Qualified opinion paragraphs* above, in our opinion, proper books of accounts as required by law have been kept by the Company.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) Except for the effects of the matters described in the *Basis for Qualified opinion paragraphs* above, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
 - h) With respect to the other matters to be included in the Auditor's Report in accordance

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with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company have pending litigations, the liabilities in respect of which are disclosed as contingent liabilities - Refer Note 43 of the Notes on accounts to the standalone financial statements. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or Otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- vii. The company has not declared or paid any dividend during the year.
- viii. The Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

K & R RAIL ENGINEERING LIMITED



A Krishna Rao
Partner
M.No:020085
UDIN: 24020085BKAUNP6929

Place: Hyderabad
Date: 13.07.2024.

“ANNEXURE A”

ANNEXURE TO INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF K&R RAIL ENGINEERING LIMITED

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of K&R RAIL ENGINEERING LIMITED of even date)

In terms of the information and explanations sought by us and given by the company and on the basis of the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. In respect of the Company’s Property, Plant & Equipment and Intangible assets:
 - (a) (A)The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment.
(B) The company doesn’t have intangible assets.
 - (b) All Property, Plant and Equipment have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The Company does not hold any immovable property, based on our examination of the lease agreement for office buildings, we report that, where the company is the lessee and the lease agreements are duly executed in favor of the lessee.
 - (d) According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment during the year.
 - (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.
- ii.
 - (a) The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
 - (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans to the parties covered under section 185 and 186 of the Companies Act, 2013. The Company has complied with the provisions of Section 185 and

K & R RAIL ENGINEERING LIMITED



186 of the Act in respect of Guarantees or security provided and Investments made by the Company.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under to the extent applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company.
- vii.
- (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, as applicable, with the appropriate authorities. There were no undisputed amounts payable in arrears as at 31st March 2024 for a period of more than 6 months from the date they became payable.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax (TDS), and other material statutory dues in arrears as at 31st March 2024 for a period of more than 6 months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no statutory dues as on March 31st 2024 which have not been deposited with appropriate authorities on account any dispute except Income Tax as given below:

S. No	Nature	Assessment Year	Amount of Dispute (Rs. in Lakhs)	Forum where it is pending
1	Service Tax	2015-16 & 2017-18 (Up to June 2017)	3800.00	Customs Excise and Service Tax Appellate Tribunal

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company does not have any transactions which are not recorded in the books of account have been surrendered or disclosed during the year in the tax assessments under the Income Tax Act.
- ix.
- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. The Company has not issued any debentures.
- (b) The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- (c) According to the information and explanations given to us, the Term loans were applied for the purpose for which the loans were obtained.

K & R RAIL ENGINEERING LIMITED



- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x.

- (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments)
- (b) In our opinion and according to the information and explanations given to us, the company has utilized funds raised through preferential allotment as mentioned in the below table:

Nature of Securities viz. Equity shares/ Preference shares/ Convertible debentures	Purpose for which funds were raised	Total Amount Raised/ opening unutilized balance	Amount utilized for the other purpose	Unutilized balance as at balance sheet date	Remark, if any
Equity Share Warrants	To acquire land for setting up manufacturing of composite sleepers and thick webbed switches for Dedicated Freight Corridor Corporation of India (DFCC) and Indian Railways, working capital requirements and for expansion of business of the Company including acquisition of companies in similar sector etc., to achieve inorganic growth, to augment the required funds for the proposed future projects of the Company and general corporate purposes.	33.20 Crores	33.20 Crores Utilized for the purpose of redemption of preference shares.		Subsequently, the company has modified and approved to include the utilization of funds for redemption of preference shares in the EGM dated 7 th July, 2024.

K & R RAIL ENGINEERING LIMITED



- xi.
 - (a) According to the information and explanations given to us, No fraud by the company or on the company has been noticed or reported during the year.
 - (b) During the year, no Report has been filed in form ADT-4 with the Central Government as prescribed under Sub section (12) of Section 143 of the companies Act, 2013
 - (c) According to the information and explanations given to us, The Company has not received any Whistle-blower complaints during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties as specified in the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.
- xiv.
 - (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the company doesn't have internal audit system commensurate with the size and nature of its business.
 - (b) The reports of the Internal Auditors for the period under audit were duly considered by us in determining the nature, timing and extent of our audit procedures.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected its directors.
- xvi.
 - (c) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
 - (d) The Company is not engaged in any Non-Banking Financial or Housing Finance activities.
 - (e) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India.
 - (f) There is no Core Investment Company as part of the Group.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets

K & R RAIL ENGINEERING LIMITED



and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors' and management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified under sec 135 of Companies Act 2013.
- xxi. In our opinion and according to the information and explanations given to us, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the company included in the consolidated Ind AS financial statements.

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

A Krishna Rao
Partner
M.No:020085
UDIN: 24020085BKAUNP6929

Place: Hyderabad
Date: 13.07.2024.

“ANNEXURE B”

ANNEXURE TO INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF K&R RAIL ENGINEERING LIMITED

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of K&R RAIL ENGINEERING LIMITED of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **K&R RAIL ENGINEERING LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding

of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* in the audit report of the Standalone IND AS Financial Statements, the company has in all material respects reasonable internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2024

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For P. Murali & Co.,
Chartered Accountants
FRN: 007257S**

**A Krishna Rao
Partner
M.No:020085
UDIN:**

**Place: Hyderabad
Date:13.07.2024.**

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)
(Formerly Known as AXIS RAIL INDIA LIMITED)
Standalone Balance Sheet as at 31st March 2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

		As at 31 March 2024	₹ in Lakhs As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	1,517.37	1,840.84
Financial assets			
Investments	5	38.04	14.16
Deferred Tax Assets net	6	29.75	17.22
		<u>1,585.16</u>	<u>1,872.22</u>
Current assets			
Inventories	7	316.45	540.13
Financial assets			
Trade receivables	8	12,458.86	7,559.70
Cash and cash equivalents	9	106.52	1,598.97
Other Bank balances	10	451.89	2,591.59
Loans	11	2,040.18	1,922.39
Others		-	-
Current tax assets	12	239.13	215.08
Other current assets	13	2,950.96	691.39
		<u>18,563.99</u>	<u>15,119.24</u>

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Total assets		20,149.15	16,991.45
Equity and Liabilities			
Equity			
Equity share capital	14	2,117.06	1,577.94
Preference share capital	15	1,329.82	# 1,411.46
Other equity	16	3,717.03	# 6,700.40
Total equity		7,163.91	9,689.79
Non-current liabilities			
Financial Liabilities			
Borrowings	17	57.38	798.54
Other non current liabilities	18	126.71	-
Provisions	19	51.80	48.38
		235.89	846.91
Current liabilities			
Financial Liabilities			
Borrowings	17	256.50	626.39
Trade payables			
(i) Due to MSME'S		-	-
(ii) Due to other than MSME'S	20	9,963.87	2,449.27
Other financial liabilities	21	189.77	99.67
Other current liabilities	18	2,021.06	2,998.40
Provisions	19	22.20	20.73
Current tax liabilities	22	295.95	260.28
		12,749.35	6,454.75

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Total liabilities	<u>12,985.24</u>	<u>7,301.66</u>
Total equity and liabilities	<u><u>20,149.15</u></u>	<u><u>16,991.45</u></u>

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for P MURALI & CO.,

Chartered Accountants

ICAI Firm Registration Number:

0007257S

for and on behalf of the Board of Directors of
K&R RAIL ENGINEERING LIMITED

CIN: L45200TS1983PLC082576

A.KRISHNA RAO

Mem No. 020085

Partner

Place: Hyderabad

Date: 13.07.2024

Amit Bansal

CEO

PAN:ACFPB760

8E

**Rabindra K
Barik**

Director

DIN:

08773785

**Maniza
Khan**

Director

DIN:

07146123

Kulkarni Prahlada rao

Chief Financial

Officer

PAN:

AKMPR1779B

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Standalone Statement of Profit and Loss for the year ended 31st March, 2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

		₹ in Lakhs	
	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations	23	61,223.31	30,778.49
Other income	24	347.64	37.25
Total income		61,570.95	30,815.74
Expenses			
Cost of materials consumed	25	56,278.57	26,004.31
Change in inventories of stock in trade & WIP	26	223.68	537.54
Other operating expenses	27	2,560.14	2,374.50
Employee benefits expense	28	405.62	302.86
Depreciation and amortisation expense	29	330.01	310.48
Finance costs	30	136.82	167.92
Other expenses	31	640.81	379.21
Total expense		60,575.64	30,076.82
Profit before tax and Exceptional Items		995.31	738.91
Exceptional Items		-	-
Total Profit before tax		995.31	738.91
Tax expenses			

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Current tax	32	295.95	215.51
Prior year tax		-	-
Deferred tax	32	(12.53)	1.09
Total tax expense		<u>283.42</u>	<u>216.60</u>
Profit for the year		<u>711.89</u>	<u>522.31</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ (losses) on mutual funds		-	4.36
Income-tax effect			-
Other comprehensive income for the year, net of tax		<u>-</u>	<u>4.36</u>
Total comprehensive income for the year		711.89	526.68
Earnings per equity share (nominal value of ₹ 10) in INR			
Basic		4.23	3.34
Diluted		1.72	3.34
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			
As per our report of even date			
for P MURALI & Co.,		for and on behalf of the Board of Directors of	
<i>Chartered Accountants</i>		K&R RAIL ENGINEERING LIMITED	
ICAI Firm Registration Number:		CIN:	
007257S		L45200TS1983PLC082576	

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

A.KRISHNA RAO

Mem No. 020085

Partner

Place: Hyderabad

Date: 13.07.2024

Amit Bansal

CEO

PAN:ACFPB7
608E

**Rabindra K
Barik**

Director

DIN:
08773785

**Maniza
Khan**

Director

DIN:
07146123

Kulkarni Prahlada Rao

Chief Financial
Officer

PAN: AKMPR1779B

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Standalone statement of Cash Flows for the year ended 31.03.2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

	For the year ended 31 March 2024	₹ in Lakhs For the year ended 31 March 2023
I. Cash flows from operating activities		
Profit before tax	995.31	738.91
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	330.01	310.48
Non Cash items	50.26	-
Finance costs (including fair value change in financial instruments)	(165.46)	(130.67)
Operating profit before working capital changes	1,210.11	918.72
<i>Changes in working capital:</i>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	(4,899.16)	(3,630.97)
Inventories	223.68	537.54
Loans	(117.79)	(330.33)
Other financial assets - current	(24.05)	463.12
Other financial assets - non current	(12.53)	
Other assets	(119.87)	(2,456.13)
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	7,514.60	1,647.14

K & R RAIL ENGINEERING LIMITED



Other financial liabilities - current	90.10	71.70
Other financial liabilities - non current	126.71	
Other Provisions	4.90	4.90
Other current liabilities	(977.34)	779.98
Cash generated from operations	3,019.36	(1,994.33)
Direct & Indirect taxes paid	(295.95)	(226.15)
Net cash generated from/(used in) operating activities	2,723.41	(2,220.48)
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles (including capital work in progress)	(6.54)	(482.44)
(Increase) Decrease in Non Current Investments	-23.88	-
Net cash used in investing activities	(30.42)	(482.44)
III. Cash flows from financing activities		
Proceeds from issue of Share Warrants	3,262.23	3,711.74
Proceeds from/(repayment of) long-term borrowings, net	(741.15)	(117.51)
Proceeds from/(repayment of) short-term borrowings, net	(371.98)	228.19
Interest paid	165.45	130.67
Redemption of Optionally Convertible Redeemable Pref Shares	(6,500.00)	
Increase in Capital Redemption Reserves		
Increase in Share Capital		
Net cash provided by financing activities	(4,185.44)	3,953.09
Net increase in cash and cash equivalents (I+II+III)	(1,492.45)	1,250.17

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Cash and cash equivalents at the beginning of the year	1,598.97	348.80
Cash and cash equivalents at the end of the year (refer note below)	106.52	1,598.97

Note:

Cash and cash equivalents comprise:

Cash on hand	70.75	50.76
Balances with banks:	35.78	1,548.20
	106.52	1,598.97

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for P MURALI & Co.,
Chartered Accountants

ICAI Firm Registration Number: 007257S

for and on behalf of the Board of Directors
of
K&R RAIL ENGINEERING LIMITED
CIN:
L45200TS1983PLC08257
6

A.KRISHNA RAO

Mem No. 020085

Partner

Place: Hyderabad

Date: 13.07.2024

**Amit
Bansal**

CEO

PAN:ACFP
B7608E

**Rabindra K
Barik**

Director

DIN:
08773785

**Maniza
Khan**

Director

DIN:
07146123

Kulkarni Prahlada rao

Chief Financial Officer

PAN: AKMPR1779B

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Standalone Statement of Changes in Equity for the year ended March 31, 2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

a. Equity Share Capital

	No. of shares	Amount
Balance as at April 1, 2022	15,779,35 5.00	1,577.94
Balance as at March 31, 2023	15,779,35 5.00	1,577.94
Balance as at March 31, 2024	21,170,57 9.00	2,117.06

b. Preference Share Capital

	No. of shares	Amount
Balance as at April 1, 2022	14,114,55 6.00	1,411.46
Balance as at March 31, 2023	14,114,55 6.00	1,411.46
Balance as at March 31, 2024	13,298,16 8.00	1,329.82

Total Share Capital

3,446.87

c. Other equity

Particulars	Reserves and Surplus	Total
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K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

	Money received against Share Warrants	General reserve	Retained earnings	Capital Redemption Reserve	
As at April 1, 2022	-		522.31		522.31
Profit for the year		2,461.99		-	2,461.99
Less: Adjustment to depreciation					-
Other comprehensive income			4.36		4.36
Transfer from Retained earnings to General reserve		4.36	(4.36)		-
Money received against issue of Share Warrants as at 31.03.2023	3,711.74				3,711.74
At March 31, 2023	3,711.74	2,466.35	522.31	-	6,700.40
Profit for the year			711.89		
Security Premium during the year		3,320.99			3,320.99
Other comprehensive income			-		-
Transfer from Retained earnings to General reserve		711.89	(711.89)		711.89
Money received against issue of Share Warrants as at 31.03.2024	3,262.23				3,262.23
Less:Converted during the year	(3,860.12)				(3,860.12)
Transfer from General reserve to Capital Redemption Reserve		(81.64)		81.64	
Premium on Redemption of Optionally Convertible Pref Shares		(6,418.36)			(6,418.36)
Balance as of 31 March 2024	3,113.85	(0.77)	522.31	81.64	3,717.03

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

During the year the Company has converted 53,91,224 Share Warrants into equity Shares @ Rs 71.60/- per share. The face value of the shares so converted into equity is Rs 10/- and the premium on such issue is Rs 61.60/- per Share.

During the year the Company has redeemed 8,16,388 Optionally Convertible Redeemable Preference Shares @ Rs 796.19/- per share. Accordingly the Company has transferred an amount of Rs 81,63,880/- being the face value of the shares so redeemed to 'Capital Redemption Reserve' account.

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for **P MURALI & Co.,**

Chartered Accountants

ICAI Firm Registration
Number: 007257S

A.KRISHNA RAO

Mem No. 020085

Partner

Place: Hyderabad

Date: 13.07.2024

for and on behalf of the Board of
Directors of

**K&R RAIL ENGINEERING
LIMITED**

CIN:
L45200TS1983PLC082
576

Amit Bansal	Rabindra K Barik	Maniza Khan
CEO	Director	Director
PAN:ACF PB7608E	DIN: 08773785	DIN: 07146123

**Kulkarni Prahlada
rao**

Chief Financial Officer
PAN: AKMPR1779B

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Standalone financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in
Lakhs

General

1 Information

K&R Rail Engineering Limited ('the Company') (formerly known as Axis Rail India Limited) is a Public Limited Company having its registered office at Hyderabad, India. The Company is carrying on the business of providing end to end EPCC services which includes Earth Work, Bridges & Civil Works, Track Works, Overhead Electrifications (OHE) works, Signaling & Telecommunication (S&T) works, Railway Operation & Maintenance (O&M) and Consultancy in preparing details DPRs and other allied activities.

2 Basis of preparation of financial statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on July 13, 2024.

Details of the accounting policies are included in Note 3.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

Certain financial assets are and liabilities are measured at fair value;

long term borrowings are measured at amortised cost using effective interest rate method.

2.3 Functional currency

K & R RAIL ENGINEERING LIMITED



The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupees except share data, unless otherwise stated.

2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:
a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realized within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

2.5 Critical accounting judgements and key sources of estimation uncertainty Operating cycle

K & R RAIL ENGINEERING LIMITED



In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2024 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant accounting policies

3.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- The recognition of revenue and expenses by reference to the stage of complete of a contract is referred to as the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed at the reporting date as per the IAS and Income Disclosure Standards.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet. Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.4 Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

3.5 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.7 Property, plant and equipment

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

3.8 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

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Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

3.9 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a Straight Line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentised its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Such classes of assets and their estimated useful lives are as under:

Particulars	Useful life
Buildings	30 years
Plant and Machinery	9 years
Office Equipment	5 years
Computers	3 years
Furniture and Fixtures	10 years
Vehicles	8 years

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

3.10 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

3.11 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

3.12 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

3.13 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

3.14 Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired. An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3.15 Employee benefits

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Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

3.16 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.17 Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.18 Financial instruments

a. Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
– amortised cost;

– FVTPL

K & R RAIL ENGINEERING LIMITED



Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales of financial assets in prior



periods, the reasons for such sales and expectations about future sales activity. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL. Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:— contingent events that would change the amount or timing of cash flows;— terms that may adjust the contractual coupon rate, including variable interest rate features;— prepayment and extension features; and— terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features). A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses
Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities That substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profitd. Offsetting Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.e. Impairment The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost; At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:– significant financial difficulty of the borrower or issuer;– the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or– the disappearance of an active market for a security because of financial difficulties. The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:– debt securities that are determined to have low credit risk at the reporting date; and

– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or

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effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Standalone financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in
Lakhs

4 Property, plant and equipment

Particulars	Land	Office	Furniture	Computers	Vehicles	Plant	Total
		Equipm ent				& Machin ery	
Deemed Cost At April 1, 2022	-	204.91	33.64	33.50	2,647. 67	211.37	3,131.09
Additions	-	7.87	0.24	3.46	326.1 1	144.76	482.44
Deletions	-	-	-	-	-	-	-
At March 31, 2023	-	212.78	33.88	36.96	2,973. 78	356.13	3,613.53
Additions	-	0.28	-	-	-	6.26	6.54
Deletions	-	-	-	-	-	-	-
At March 31, 2024	-	213.06	33.88	36.96	2,973. 78	362.39	3,620.07
Accumulated depreciation At April 1, 2022	-	201.06	32.16	27.58	1,047. 16	154.25	1,462.21
Charge for the year	-	1.93	1.24	3.64	235.4 1	68.26	310.48
Less: Adjustments	-	-	-	-	-	-	-

K & R RAIL ENGINEERING LIMITED



At March 31, 2023	-	202.99	33.40	31.22	1,282.	222.51	1,772.69
					57		
Charge for the year	-	2.36	0.06	3.08	304.9	19.54	330.01
					6		
Less: Adjustments	-	-	-	-	-	-	-
At March 31, 2024	-	205.36	33.46	34.30	1,587.	242.05	2,102.70
					53		
Carrying amount							
At March 31, 2023	-	9.79	0.48	5.74	1,691.	133.62	1,840.84
					21		
At March 31, 2024	-	7.70	0.42	2.66	1,386.	120.33	1,517.37
					25		

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Standalone financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

5 Investments	31 March 2024	31 March 2023
Non-Current		
Investments in Subsidiaries		
-M/s Robsons Engineering & Constructions Private Limited	2.00	2.00
-K & R Global L.L.C-FZ	23.88	
Other Investments	12.16	12.16
Total	38.04	14.16
6 Deferred Tax Assets, net	31 March 2024	31 March 2023
Deferred tax asset/(Liability)		
- Tangible assets-Difference in Depreciation	29.75	17.22
Total	29.75	17.22
7 Inventories	31 March 2024	31 March 2023
Work in Progress	227.08	450.75
Stock-in-Trade	89.37	89.37
Total	316.45	540.13

K & R RAIL ENGINEERING LIMITED



8 Trade receivables

	31 March 2024	31 March 2023
Unsecured, considered good	12,458.86	7,559.70
	12,458.86	7,559.70
Less: Allowance for doubtful receivables		
Total	12,458.86	7,559.70

Trade Receivables ageing schedule for the year ended as at 31st March, 2024

Particulars due date of payment	Total	Outstanding for following periods from		
		< 6 Months	>6 months	1-2 Years
2-3 Years >3 years				
to 1 Year				
Undisputed Trade Receivables				
- considered good	12458.86	11,220.72	34.00	33.38
517.83 652.91				
- which have significant increase in credit risk	-	-	-	-
-	-	-	-	-
Undisputed Trade Receivables				
-credit impaired	-	-	-	-
-	-	-	-	-
Disputed Trade Receivables				
- considered good	-	-	-	-
-	-	-	-	-
Disputed Trade Receivables				
-credit impaired	-	-	-	-
-	-	-	-	-

Trade Receivables ageing schedule for the year ended as at 31st March 2023

Particulars due date of payment	Total	Outstanding for following periods from		
		< 6 Months	>6 months	1-2 Years
2-3 Years >3 years				

K & R RAIL ENGINEERING LIMITED



to 1 Year

Undisputed Trade Receivables			
- considered good	6409.75	-	3.31
- 1146.64 7559.70			
- which have significant increase in credit risk	-	-	-
- - -			
Undisputed Trade Receivables			
-credit impaired	-	-	-
- - -			
Disputed Trade Receivables			
- considered good	-	-	-
- - -			
Disputed Trade Receivables			
-credit impaired	-	-	-
- - -			

9 Cash and cash equivalents

	31 March 2024	31 March 2023
Balances with banks:		
- On current accounts	35.78	1,548.20
Cash on hand	70.75	50.76
Total	106.52	1,598.97

10 Other Bank Balances

	31 March 2024	31 March 2023
Term deposits with Banks with original maturities of more than 3 months and less than 1 year*	451.89	2,591.59
Total	451.89	2,591.59

*Represents margin money deposits against bank guarantees .

1
1 **Current**
Unsecured, considered good

K & R RAIL ENGINEERING LIMITED



Retention Money	2,040.18	1,922.39
Total	2,040.18	1,922.39
1		
2		
Current tax assets		
	31 March	31 March
	2024	2023
Advance taxes and TDS receivable	239.13	215.08
Total	239.13	215.08
1		
Other assets		
3		
Current	31 March	31 March
Unsecured, considered good	2024	2023
Advances other than capital advances		
Advances for Supplies	2,563.17	39.46
GST paid under Protest	150.00	-
Service Tax paid against Appeal	11.20	-
Salary Advances	0.32	0.90
Prepaid Expenses	4.75	12.20
GST Input	2.09	6.27
Loans to Subsidiary	-	572.00
Other Advances	219.43	60.56
Total	2,950.96	691.39

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Standalone financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

	₹ in Lakhs	
	31 March 2024	31 March 2023
1		
4		
Share Capital		
Authorised Share Capital		
Equity Shares		
3,08,50,000 (March 31, 2023: 3,08,50,000; equity shares of ₹ 10/- each	<u>3,085.00</u>	<u>3,085.00</u>
Preference Shares		
1,41,50,000 7% Optionally Convertible Preference Shares(March 31, 2023: 1,41,50,000;) equity shares of ₹ 10/- each	<u>1,415.00</u>	<u>1,415.00</u>
Issued, subscribed and fully paid-up		
Equity Shares		
1,57,80,105 (March 31, 2023: 1,57,80,105; April 1, 2022: 1,57,80,105) equity shares of ₹ 10/- each fully paid-up	1,578.01	1,578.01
Issued during the year	539.12	-
Less: Unpaid calls on 750 shares of Rs.10/-each	<u>0.08</u>	<u>0.08</u>
	<u>2,117.06</u>	<u>1,577.94</u>
1		
5		
Preference Shares		

K & R RAIL ENGINEERING LIMITED



1,41,14,556 (March 31,
2023: 1,41,14,556; April 1,
2022: 1,41,14,556) equity
shares of ₹ 10/- each fully
paid-up
Less: Redeemed during the
year

1,411.46	1,411.46
<u>81.64</u>	<u>-</u>
<u>1,329.82</u>	<u>1,411.46</u>

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Equity Shares

Particulars	31 March 2024		31 March 2023	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	15,779,355	1,577.94	15,779,355	1,577.94
Issued during the year	5,391,224	539.12	-	-
Outstanding at the end of the year	21,170,579	2,117.06	15,779,355.00	1,577.94

Preference Shares

Particulars	31 March 2024		31 March 2023	
	No. of Pref shares	Amount	No. of Pref shares	Amount
Outstanding at the beginning of the year	14,114,556	1,411.46	14,114,556	1,411.46

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Issued during the year	-	-	-	-
Less: Redeemed during the year	816,388	81.64		
Outstanding at the end of the year	13,298,168	1,329.82	14,114,556	1,411.46

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year the Company has converted 53,91,224 Share Warrants into equity Shares @ Rs 71.60/- per share. The face value of the shares so converted into equity is Rs 10/- and the premium on such issue is Rs 61.60/- per Share. The Shareholders so allotted during the year has ranked pari pasu with the existing shareholders.

Terms / rights attached to the Preference shares

Preference shares carried a fixed non cumulative dividend of 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each. The Preference shares were issued on 15/12/2015 and the same should be converted or redeemed by 15/12/2020. However, as per the Board of Directors Meeting held on 18.12.2020, the Optionally Convertible Redeemable Preference Shares were extended for a period of 05 years from the due date of redemption. ie. by a period upto 18.12.2025. The preference share holders shall get a right over the equity shareholders in case of right to dividend as well as repayment of capital in case of winding up of the company. The preference share holders shall have limited voting right, which shall be confined to the rights to vote on those matters affecting their interest.

During the year the Company has redeemed 8,16,388 Optionally Convertible Redeemable Preference Shares @ Rs 796.19/- per share. Accordingly the Company has transferred an amount of Rs 81,63,880/- being the face value of the shares so redeemed to 'Capital Redemption Reserve' account.

(c) Details of shareholders holding more than 5% shares in the Company

Equity Shares

Particulars	31 March 2024	31 March 2023
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K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
Ajaz Farooqi	3,868,365	18.27%	3,868,365	24.52%
Asma Farooqi	1,245,000	5.88%	1,245,000	7.89%
Aijaz Investments Pvt Limited	718,000	3.39%	718,000	4.55%
Asma Estates & Investments Pvt Limited	1,586,000	7.49%	1,586,000	10.05%
Shoeb Estates Pvt Limited	1,168,750	5.52%	1,168,750	7.41%
Zainab Investments Pvt Limited	1,075,750	5.08%	1,075,750	6.82%
Zara Investments Pvt Limited	2,155,015	10.18%	2,155,015	13.66%

Preference Shares - Promoters

Particulars	31 March 2024		31 March 2023	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Ajaz Farooqi	3,602,818	27.09%	3,916,813	27.75%
Asma Farooqi	1,090,607	8.20%	1,593,000	11.29%
Aijaz Investments Pvt Limited	881,600	6.63%	881,600	6.25%

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Asma Estates & Investments Pvt Limited	2,060,400	15.49%	2,060,400	14.60%
Shoeb Estates Pvt Limited	1,518,750	11.42%	1,518,750	10.76%
Zainab Investments Pvt Limited	1,396,750	10.50%	1,396,750	9.90%
Zara Investments Pvt Limited	2,747,243	20.66%	2,747,243	19.46%

1 Other equity

6

	31 March 2024	31 March 2023
General reserve		
Opening balance	2,988.66	2,461.99
Additions during the year	630.25	526.67
Add: Security Premium Reserve	3,320.99	-
Less: Premium on Redemption of Pref Shares	<u>(6,418.36)</u>	<u>-</u>
Closing balance	<u>521.54</u>	<u>2,988.66</u>
Capital Redemption Reserve	81.64	-
Retained earnings		
Opening balance	-	-
Profit/(loss) for the year	711.89	522.32
Less: Adjustment due to Depreciation	-	-
Add: Other comprehensive income	-	4.36

K & R RAIL ENGINEERING LIMITED



Less: Transfer to General reserve	(630.25)	(526.69)
Less: Transfer to Capital Redemption Reserve	<u>(81.64)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>(0.00)</u>
Money Received against Share Warrants	<u>3,113.85</u>	<u>3,711.74</u>
Total other equity	<u><u>3,717.03</u></u>	<u><u>6,700.40</u></u>

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

K & R RAIL ENGINEERING LIMITED



Bank OD	89.30	50.31
Advance received from customers	1,915.63	2,915.14
Statutory liabilities	<u>16.13</u>	<u>32.95</u>
	<u>2,021.06</u>	<u>2,998.40</u>
1	Provisions	
9		
	31 March	31
	2024	March
		2023
	Non-Current	
Provision for Gratuity	51.80	48.38
	<u>51.80</u>	<u>48.38</u>
	Current	
Provision for Gratuity	22.20	20.73
	<u>22.20</u>	<u>20.73</u>
2	Trade payables	
0		
	31 March	31
	2024	March
		2023
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 36)		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9963.87	2,449.27
	<u>9,963.87</u>	<u>2,449.27</u>

Figures for the Current Reporting Period

Particulars	outstanding for the following period from due date of payment
-------------	--

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

	Years	Less than 1Year 2-3 Years	1-2	More than 3 Years	Total
Total outstanding dues of MSME					
Total outstanding dues of creditors other than MSME	559.50	'8197.70	221.95	984.72	9963.87
Disputed dues of MSME					
Disputed dues of creditors other than MSME		'8197.70	221.95		
Total	559.50			984.72	9963.87

Figures for the Previous Reporting Period

Particulars	outstanding for the following period from due date of payment				Total
	Years	Less than 1Year 2-3 Years	1-2	More than 3 Years	
Total outstanding dues of MSME	-	-	-	-	-
Total outstanding dues of creditors other than MSME	885.56	'875.25 665.61		22.84	2449.27
Disputed dues of MSME					
Disputed dues of creditors other than MSME		'875.25			
Total	885.56	665.61		22.84	2449.27

2 Other financial liabilities 1

	31 March 2024	31 March 2023
Current		
Outstanding expenses	0.24	0.15
Employee salaries payable	41.73	12.51
GST payable	11.79	21.66
Other Advances	133.52	60.35

K & R RAIL ENGINEERING LIMITED



Audit Fee Payable	<u>2.50</u>	<u>5.00</u>
	<u>189.77</u>	<u>99.67</u>
2		
2		
	31 March	31
	2024	March
Current		2023
Provision for taxes	295.95	260.28
	<u>295.95</u>	<u>260.28</u>

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Standalone financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

2	Revenue from operations		
3		31 March 2024	31 March 2023
	(a)		
	Gross Contract Receipts	57,564.07	9,184.00
	Sale of Products	3,659.24	21,491.49
	Consultancy income		103.00
	Other Income		
		<u>61,223.31</u>	<u>30,778.49</u>
2	Other income		
4		31 March 2024	31 March 2023
	Interest income	302.28	37.25
	Reversal of Excess Provisions	45.36	-
		<u>347.64</u>	<u>37.25</u>
2	Cost of materials consumed		
5		31 March 2024	31 March 2023
	Materials consumed	56,278.57	26,004.31
	Total	<u>56,278.57</u>	<u>26,004.31</u>

K & R RAIL ENGINEERING LIMITED



2 Changes in inventories of Stock in trade & 6 WIP

	31 March 2024	31 March 2023
Stock of land at the beginning of the year	89.37	89.37
WIP at the beginning of the year	450.75	988.30
Less: Stock of land at the end of the year	89.37	89.37
Less: WIP at the end of the year	<u>227.08</u>	<u>450.75</u>
(Increase) / Decrease in Stock in trade	<u>223.68</u>	<u>537.54</u>

2 Other operating expenses 7

	31 March 2024	31 March 2023
Work Expenses	2,273.33	1,695.42
Hire Charges	78.51	235.96
Site Expenses	78.35	49.53
Repairs & Maintenance	66.44	82.63
Transportation Charges	63.51	310.96
	<u>2,560.14</u>	<u>2,374.50</u>

2 Employee benefits expense 8

	31 March 2024	31 March 2023
Salaries & Other benefits	395.34	283.83
Contribution to Provident & Other funds	0.86	0.62

K & R RAIL ENGINEERING LIMITED



Staff welfare	4.52	13.52
Provision for Gratuity	<u>4.90</u>	<u>4.90</u>
	<u>405.62</u>	<u>302.86</u>
2		
9		
Depreciation and amortisation expense	31 March 2024	31 March 2023
Depreciation of tangible assets	<u>330.01</u>	<u>310.48</u>
	<u>330.01</u>	<u>310.48</u>
3		
0		
Finance costs	31 March 2024	31 March 2023
Interest expenses on borrowings	118.24	130.69
Others	-	17.41
Bank Guarantee Commission	15.28	17.53
Bank Charges	<u>3.30</u>	<u>2.29</u>
	<u>136.82</u>	<u>167.92</u>
3		
1		
Other expenses	31 March 2024	31 March 2023
Business Promotion	7.82	1.59
Power & Fuel	18.18	15.81

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Insurance	22.68	24.51
Office Maintenance	20.35	33.09
Printing and Stationery	6.62	3.48
Advertisement	5.08	2.01
Legal & Professional	54.36	80.23
Rates and Taxes	51.36	51.52
Rent	36.11	16.93
Communication Expenses	3.73	6.09
Travelling & Conveyance	75.83	32.50
CSR Expenditure	15.00	30.00
Other Expenses	317.19	76.45
Payment to Auditors		
Statutory Audit	6.50	5.00
	640.81	379.21
3		
2	31 March 2024	31 March 2023
Tax expenses		
Current income tax:		
Current income tax charge	295.95	215.51
Deferred tax:		
Relating to originating and reversal of temporary differences	(12.53)	1.09
Income tax expense recognised in the statement of profit or loss	283.42	216.60

K & R RAIL ENGINEERING LIMITED



Annexure-16A - Current

The details of rate of interest and repayment terms of other term loans are as under

S.No.	Particulars	Number of loans outstanding as on date		Outstanding Balance as at (₹ in lakhs)		Interest range % per annum	Balance number of instalments as at		Frequency instalments
		31.03.2024	31.03.2023	31.03.2024	31.03.2023		31.03.2024	31.03.2023	
1	Bank of Baroda	1.00	1.00	-	8.56	9.25 to 11.5%	0	12	monthly
2	HDFC bank ltd	1.00	2.00	10.32	10.32	9.7 to 9.9%	39	51	monthly
3	ICICI Bank Ltd	1.00	1.00	-	1.21	8.66%	7	7	monthly
4	YES Bank	1.00	1.00	-	2.40	9.37%	18	18	monthly
5	Oriental Bank of Commerce	1.00	1.00	-	42.00	9.05	79	91	monthly
6	Axis Bank	1.00	2.00	114.99	288.00	9.55%	36	36	monthly
7	TATA Motors Finance Ltd	1.00	1.00	94.40	240.30		36	0	monthly
8	YES Bank	1.00	1.00	36.79	33.60				
				256.50	626.39				

Annexure-16B -Non Current

The details of rate of interest and repayment terms of other term loans are as under

S.No.	Particulars	Number of loans outstanding as on date		Outstanding Balance as at (₹ in lakhs)		Interest range % per annum	Balance number of instalments as at		Frequency instalments
		31.03.2024	31.03.2023	31.03.2024	31.03.2023		31.03.2024	31.03.2023	
1	Bank of Baroda	1.00	1.00	-	-	9.25 to 11.5%	25	25	monthly
2	HDFC bank ltd	1.00	2.00	12.13	23.99	9.7 to 9.9%	51	51	monthly
3	ICICI Bank Ltd	1.00	1.00	-	-	8.66%	7	7	monthly

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

4	YES Bank	1.00	1.00	-	1.36	9.37%	18	18	monthly
5	Oriental Bank of Commerce	1.00	1.00	-	344.06	9.05	79	79	monthly
6	Axis Bank	1.00	2.00	20.65	261.20	9.55%	36	36	monthly
7	TATA Motors Finance Ltd	1.00	1.00	-	103.35	7.75%		36	monthly
8	YES Bank	1.00	1.00	24.60	64.58				
				57.38	798.54				

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Standalone financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

3 Contingent liabilities and commitments

3

The company has given bank guarantees which are outstanding as on 31.03.2024 is Rs.1315.00 Lakhs and Rs.1490.94 Lakhs as on 31.03.2023

3 Related party disclosures

4

The following table provides the name of the related party and the nature of its

a) relationship with the Company:

Name of the parties	Relationship
AF Consultants Prop:Mr Ajaz Farooqi	Member / Shareholder
Asma Estates & Investments Private Limited	Preference shareholder
Azmir Builders Private Limited	Member / Shareholder
Robsons Engineering & Constructions Private Limited	100% Subsidiary Company

b) Details of all transactions with related parties

) during the year:

Rs in lakhs

Particulars	Rs in lakhs	
	31-Mar-24	31-Mar-23
i) Contract Income from		
Azmir Builders Private Limited	1,102.15	-
ii) Payment of Rent to		
Asma Estates & Investments Private Limited	21.00	-

K & R RAIL ENGINEERING LIMITED



ii i)	Advance for Services to		
	AF Consultants Prop: Mr Ajaz Farooqi	22.00	22.00
		-	-
iv)	Loan from Subsidiary		
	Robsons Engineering & Constructions Private Limited	126.71	(572.00)
v)	Managerial remuneration/ consultancy fee to Key managerial personnel*		
	Mr Amit Bansal -CEO	24.00	24.00
	Mr K R Prahlada Rao - CFO	12.00	12.00
	Mr Chandrakanth - Company Secretary	4.20	-

Terms and conditions of transactions with related
c) parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Standalone financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

35 Segment information

Ind AS 108 “Operating Segment” (“Ind AS 108”) establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the “management approach” as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company’s performance and allocates resources on overall basis.

The Company has no reportable segments accordingly.

36 Auditors’ remuneration include:

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
Statutory audit fee (including limited review)	6.50	5.00	5.00
Total	6.50	5.00	5.00

37 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (‘The MSMED Act’) is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	31-03-2024	31-03-2023	31-03-2022
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K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil	Nil
b)	the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil	Nil
d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil	Nil

38 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31-Mar-24	31-Mar-23
Profit for the year attributable to equity share holders	711.89	526.68
Shares		
Weighted average number of equity shares outstanding during the year – basic	168.10	157.79

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Weighted average number of equity shares outstanding during the year – diluted	414.62	157.79
Earnings per share		
Earnings per share of par value ₹ 10 – basic (₹)	4.23	3.34
Earnings per share of par value ₹ 10 – diluted (₹)	1.72	3.34

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED
(Formerly Known as AXIS RAIL INDIA LIMITED)
Notes forming part of the Standalone financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in
Lakhs

3 Financial risk management objectives 9 and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions. The below assumption has been made in calculating the sensitivity analysis: The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

K & R RAIL ENGINEERING LIMITED



The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2024		
INR	+1%	1.13
INR	-1%	(1.13)
March 31, 2023		
INR	+1%	1.56
INR	-1%	(1.56)

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

K & R RAIL ENGINEERING LIMITED



Allowance for credit loss	31-Mar-23	31-Mar-22
Opening balance	-	-
Credit loss provided/ (reversed)	-	-
Closing balance	-	-

There is no concentration of revenue as there is no customer which accounts for more than 10% of the revenue.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

		Total
Year ended March 31, 2024		
Borrowings	313.88	313.88
Trade payables	9,963.87	9,963.87
Other Payables	189.77	189.77
Year ended March 31, 2023		
Borrowings	1,424.93	1,424.93
Trade payables	2,449.27	2,449.27
Other Payables	99.67	99.67

K & R RAIL ENGINEERING LIMITED



4 Capital management

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The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2024, March 31, 2023 and April 1, 2022 was as follows:

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
Total equity attributable to the shareholders of the Company	7,164	9,690	6,075
As a percentage of total capital	95.80%	87.18%	82.22%
Long term borrowings including current maturities	57	799	916
Short term borrowings	256	626	398
Total borrowings	314	1,425	1,314
As a percentage of total capital	4.20%	12.82%	17.78%
Total capital (equity, preference and borrowings)	7,478	11,115	7,389

The Company has converted 53,91,224 Share Warrants of face value of Rs 10/- at an issue price of Rs 71.60 into Equity shares during the 1st and 2nd quarters of the FY 2023-24 and

4 a certificate in this regard has been obtained from the then statutory auditors M/s.

1 Chowdary & Rao, Chartered Accountants

The Company has originally passed a Resolution in their EGM dated 10th February, 2023 for objects of the preferential issue/particulars of the offer. Subsequently, the Company has passed resolution for Modification of the objects of the preferential issue in the EGM dated

4 6th July, 2024 to include the utilisation of proceeds of Share warrants for Redemption of

2 optionally convertible Redeemable Preference Shares.

K & R RAIL ENGINEERING LIMITED



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3 Legal cases:

The Company had signed an agreement with Paradip Port Trust under the name 'K.V.R. Rail Infra Projects Private Limited for 'Railway Work for Deep Draught berths at Paradip Port' for the Contract price of Rs.98.67 Crores. The Letter of Intent (LOI) was issued on 06.06.2011 by the Paradip Port Trust. Subsequently by the order dated 13.10.2014 of Hon'ble High Court of Andhra Pradesh, Hyderabad, the Company has merged with 'Axis Rail India Limited'. Subsequently the name of the Company has been changed from 'Axis Rail India Limited' to 'K&R Rail Engineering Limited'.

The Paradip Port Trust (PPT) has terminated the contract and issued letter dated 26.09.2013 on the ground that the Company had sublet the contract to third party. Aggrieved by this termination of the Contract, the Company had filed a petition before the Arbitral Tribunal of Hon'ble DR.Justice A.K.Rath, Former Judge, High Court of Orissa (Sole Arbitrator) vide Arbitration Proceeding No. 3 of 2020. The Company had claimed the following in the petition filed.

(i) Refund of Retention

Money:

The Company claimed Refund of Retention Money for an amount of Rs 4.34 Crores with interest @9% p.a. with effect from 26.09.2013. Thus total Retention Money claimed with interest is Rs.8.64 Crore.

(ii) Refund of the invoked

Bank Guarantee

The Company had furnished a Performance Bank Guarantee for a sum of Rs.97.67 lakhs. The PPT had issued a show cause notice on 18.06.2013. In response to the show cause notice the Company through its Lawyer replied on 27.06.2013. However, the PPT had encashed the Bank Guarantee on 24.07.2013. Hence the Company filed petition before the Arbitral Tribunal of Hon'ble Dr Justice A.K.Rath, Former Judge, High Court of Orissa (Sole Arbitrator) vide Arbitration Proceeding No.3 of 2020 and claimed for refund of the Bank Guarantee of Rs. 97.67 lakhs with interest @9% p.a with effect from 24.07.2013. Thus the total claim under this head is Rs.150.42 lakhs.

Legal Cases (Contd..)

(iii) Idling Charges:

The Company had incurred additional expenditure towards equipment hiring charges for the period from February 2013 to August 2013 amounted to Rs.700 lakhs. Hence the Company claimed towards idling charges for an amount of Rs.700 lakhs with interest @9% p.a. with effect from 01.09.2013. Thus the total claim under this head is Rs.11.09 Crore with interest.

(iv) Claim for Final Bill:

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

The Company raised final bill for Rs.95.37 lakhs on 07.06.2013 towards the work done and materials supplied. The PPT has not paid the same. Hence the Company claimed for Rs.95.37 lakhs with interest @9% p.a. with effect from 01.09.2013. Thus total claim under this head is Rs.1.51 Crore.

The case is still under process. Pending the out come of the petition the claims for idling charges were not recognised in the financial statements as at 31.03.2024. The case is not posted yet for hearing.

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4 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

P.MURALI & CO.,

Chartered Accountants
ICAI Firm Registration
Number: 007257S

for and on behalf of the Board
of Directors of
**K&R RAIL ENGINEERING
LIMITED**
CIN:
L45200TS1983PLC082576

A.KRISHNA RAO

Mem No. 020085

Partner

Place: Hyderabad

Date: 13.07.2024

**Amit
Bansal**

CEO
PAN:ACFP
B7608E

**Kulkarni Prahlada
rao**
Chief Financial
Officer
PAN: AKMPR1779B

**Rabindra K
Barik**

Direct
or
DIN: 08773785

**Maniza
Khan**

Director
DIN: 07146123

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

Standalone Balance Sheet as at 31st March 2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

RATIO ANALYSIS

Particulars	Numerator/Denominator	31-Mar-24	31-Mar-23	Change in %
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.46	2.34	-37.84%
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Equity}}$	1.81	0.75	140.54 %
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Interest + Installments}}$	1.74	1.33	30.80%
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$	8.45%	5.44%	55.42%
(e) Inventory turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Inventories}}$	142.95	56.98	150.86 %
(f) Trade receivables turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	6.12	4.07	50.24%
(g) Trade payables turnover ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	9.07	10.62	-14.62%
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	8.55	3.55	140.58 %
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	1.16%	1.71%	-32.05%

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

(j) Return on Capital employed	$\frac{\text{Net Profit}}{\text{Capital Employed}}$	9.94%	5.44%	82.82%
(k) Return on investment	$\frac{\text{Return on Investment}}{\text{Total Investment}}$	66.89%	1.44%	4553.79 %

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

K & R RAIL ENGINEERING LIMITED



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

K&R RAIL ENGINEERING LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of M/s. **K&R RAIL ENGINEERING LIMITED** (hereinafter referred to as Holding Company) which includes its two subsidiaries (the Holding company and its Subsidiaries together referred to as "The Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Ind AS Financial Statements").

The Consolidated Financial statements include the following entities

- 1) ROBSONS ENGINEERING & CONSTRUCTIONS PRIVATE LIMITED-WHOLLY OWNED SUBSIDIARY
- 2) K&R GLOBAL LLC – FZ- WHOLLY OWNED SUBSIDIARY

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the "*Basis for Qualified Opinion*" section of our report, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, its consolidated profit including consolidated total comprehensive income, their consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the financial statements of "the Group" in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements of "the Group" section of our report. We are independent of "the Group" in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements of "the Group" under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements

K & R RAIL ENGINEERING LIMITED



and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements of “the Group”.

In case of the “Holding Company”, matters as reported in Basis of Qualified Opinion on the Standalone Financial Statements, are reproduced below:

4. The company has converted 53, 91,224 share warrants into equity shares on 02.05.2023 and 16.08.2023 as mentioned in the note no.40 of the financial statements.
5. The company has utilized the proceeds of issue of share warrants of an amount of Rs. 33.20 Crore for redemption of 8,16,388 preference shares of face value of Rs.10 each at Rs. 796.19 which is not in accordance with objects of the preferential issue as per resolution of the EGM dated 10th February, 2023. Subsequently, the company has modified and approved to include the utilization of funds for redemption of preference shares in the EGM dated 7th July, 2024(Refer to Note No.41 of the financial statements).
6. Some of the Trade Receivables/Trade Payables are subject to confirmations & reconciliations. There are long outstanding balances of Trade Receivables/Trade Payables, but the company has not made any provision for the same.

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (“SA”s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Information Other than the Consolidated Ind AS financial statements and Auditor’s Report Thereon:

- The Holding Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated Ind AS financial statements and our auditor’s report thereon.
- Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

K & R RAIL ENGINEERING LIMITED



- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact that we have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows of "The Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in "The Group" are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of "The Group" and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the directors of the holding company as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in "The Group" are responsible for assessing the ability of "The Group" to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate "The Group" or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in "The Group" are responsible for overseeing the financial reporting process of "The Group".

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

K & R RAIL ENGINEERING LIMITED



Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial

information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter Paragraph:

We did not audit the financial statements / financial information of 2 subsidiaries included in the consolidated Ind AS financial Statements, whose Financial Statements / Financial information after inter Company eliminations reflect Group's share of total assets of Rs. 1376.89 lakhs as at 31st March 2024, Group's share of total revenue of Rs. 5017.27 Lakhs and Group's share of total net profit/(loss) after tax of Rs. 66.57 Lakhs and Total comprehensive income of Rs. 64.11 Lakhs for the period from 01-04-2023 to 31-03-2024 respectively, as considered in the consolidated Ind AS financial statements, in respect of the subsidiaries whose financial statements / financial information have not been audited by us. This financial statements / financial information have been audited by other auditors whose report have furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit report of the other auditor.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

K & R RAIL ENGINEERING LIMITED



1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
 - b) Except for the effects of the matters described in the *Basis for Qualified opinion paragraphs* above, in our opinion, proper books of accounts as required by law have been kept by the Group.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.
 - d) Except for the effects of the matters described in the *Basis for Qualified opinion paragraphs* above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors of the holding company and its subsidiaries, none of the directors of the group companies is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" which is based on the Auditor's reports of the Company and its subsidiary companies. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the group to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

K & R RAIL ENGINEERING LIMITED



- i. The group have pending litigations, the liabilities in respect of which are disclosed as contingent liabilities - Refer Note 42 of the Notes on accounts to the standalone financial statements. The group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements;
- ii. The group does not have any long-term contracts, including derivate contracts and did not have any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary companies.
- iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or group companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company or group companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or group companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- vii. The holding company or group companies has not declared or paid any dividend during the year.
- viii. The Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for

K & R RAIL ENGINEERING LIMITED



record retention.

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

A Krishna Rao
Partner
M.No:020085
UDIN: 24020085BKAUNO9598

Place: Hyderabad
Date: 13.07.2024.

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of K&R RAIL ENGINEERING LIMITED of even date)

Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of K&R RAIL ENGINEERING LIMITED (herein after referred to as "Company") and its subsidiary company, which is incorporated in India, as of that date. We have not audited the internal financial controls of the Foreign Subsidiary.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over

K & R RAIL ENGINEERING LIMITED



financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its Subsidiary Companies.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in

K & R RAIL ENGINEERING LIMITED



conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion in the Audit Report of the Consolidated IND AS Financial Statements, the company has in all material respects reasonable internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2024 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to one Indian subsidiary of "The Group" audited by other auditors, is based on the reports of their respective auditors.

**For P. Murali & Co.,
Chartered Accountants
FRN: 007257S**

**A Krishna Rao
Partner
M.No:020085
UDIN:**

**Place: Hyderabad
Date:13.07.2024.**

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)
(Formerly Known as AXIS RAIL INDIA LIMITED)

Consolidated Balance Sheet as at 31st March 2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

		₹ in Lakhs			As at
		As at	As at	As at	As at
		31 March	31	#####	#####
		2024	March	#####	#####
		2023	2023	#####	#####
Note	As at	As at	As at	As at	As at
Assets					
Non-current assets					
Property, plant and equipment	4	1,517.52	1,841.21	1,841.21	
Financial assets					
Investments	5	12.16	12.16	-	
Deferred Tax Assets net	6	29.75	17.21	18.31	
		1,559.43	1,870.58	1,859.52	
Current assets					
Inventories	7	316.45	540.13	1,077.67	
Financial assets					
Trade receivables	8	13,071.54	8,922.46	3,928.73	
Cash and cash equivalents	9	121.53	1,606.94	348.80	
Other Bank balances	10	451.89	2,591.59	693.73	
Loans	11	2,040.18	1,922.40	1,592.06	
Others		-	-		

K & R RAIL ENGINEERING LIMITED



Current tax assets	12	341.27	242.58	162.34
Other current assets	13	3,623.74	677.99	130.74
		19,966.60	16,504.08	7,934.07
Total assets		21,526.03	18,374.65	9,793.59
Equity and Liabilities				
Equity				
Equity share capital	14	2,117.06	1,577.94	2,117.06
Preference share capital	15	1,329.82	1,411.46	1,329.82
Other equity	16	3,890.50	6,806.21	3,094.47
Non Controlling Interest		0.01	0.01	
Total equity		7,337.38	9,795.61	6,541.34
Non-current liabilities				
Financial Liabilities				
Borrowings	17	57.38	798.54	916.05
Other non current liabilities			-	#REF!
Provisions	18	51.80	48.38	44.95
		109.18	846.91	#REF!
Current liabilities				
Financial Liabilities				
Borrowings	17	256.50	626.39	398.22
Trade payables				802.13

K & R RAIL ENGINEERING LIMITED



(i) Due to MSME'S				
(ii) Due to other than MSME'S	19	10,513.68	3,669.61	
Other financial liabilities	20	199.78	112.55	27.97
Other current liabilities	17	2,734.51	3,001.77	2,218.42
Provisions	18	22.20	20.73	19.26
Current tax liabilities, net	21	352.80	301.07	#REF!
		14,079.47	7,732.13	#REF!
Total liabilities		14,188.65	8,579.04	#REF!
Total equity and liabilities		21,526.03	18,374.65	#REF!

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for **P MURALI & CO.,**

Chartered Accountants
ICAI Firm Registration
Number: 007257S

A.KRISHNA RAO
Mem No. 020085

Partner

for and on behalf of the Board of Directors
of
**K&R RAIL ENGINEERING
LIMITED**

CIN:
L45200TS1983PLC082576

Amit Bansal	Rabindra K Barik	Maniza Khan
CEO	Director	Director
PAN:ACFPB76	DIN: 08E 08773785	DIN: 07146123

Place: Hyderabad
Date: 13.07.2024

Kulkarni Prahlada rao
Chief Financial Officer
PAN: AKMPR1779B

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

		₹ in Lakhs	
	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations	22	66,240.58	38,985.39
Other income	23	350.03	37.25
Total income		66,590.61	39,022.64
Expenses			
Cost of materials consumed	24	60,735.73	34,044.67
Change in inventories of stock in trade & WIP	25	223.67	537.54
Other operating expenses	26	2,964.08	2,374.50
Employee benefits expense	27	416.88	305.11
Depreciation and amortisation expense	28	330.22	310.69
Finance costs	29	167.29	182.92
Other expenses	30	658.99	381.71
Total expense		65,496.86	38,137.14
Profit before tax and Exceptional Items		1,093.75	885.50
Exceptional Items		-	-
Total Profit before tax		1,093.75	885.50
Tax expenses			

K & R RAIL ENGINEERING LIMITED



Current tax	31	327.82	256.29
Prior year tax			-
Deferred tax	31	(12.53)	1.09
Total tax expense		315.29	257.38
Profit for the year		778.46	628.12
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ (losses) on mutual funds		-	4.36
Foreign Exchange Translation Reserve		(2.46)	-
Other comprehensive income for the year, net of tax		(2.46)	4.36
Total comprehensive income for the year		776.00	632.48
Earnings per equity share (nominal value of ₹ 10) in INR			
Basic		4.62	4.01
Diluted		1.87	4.01

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for P MURALI & CO.,
Chartered Accountants

ICAI Firm Registration Number: 007257S

for and on behalf of the Board of Directors
of
K&R RAIL ENGINEERING LIMITED
CIN:
L45200TS1983PLC082576

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

A.KRISHNA RAO
Mem No. 020085

Partner

Place: Hyderabad
Date: 13.07.2024

**Amit
Bansal**

CEO
PAN:ACF
PB7608E

**Rabindra K
Barik**

Director
DIN:
08773785

**Maniza
Khan**

Director
DIN:
07146123

Kulkarni Prahlada Rao

Chief Financial Officer
PAN: AKMPR1779B

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Consolidated statement of Cash Flows for the year ended 31.03.2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

	For the year ended 31 March 2024	₹ in Lakhs For the year ended 31 March 2023
I. Cash flows from operating activities		
Profit before tax	1,093.75	885.50
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	330.22	310.69
Non Cash items		-
Finance costs (including fair value change in financial instruments)	285.54	(145.67)
Operating profit before working capital changes	1,709.51	1,050.51
<i>Changes in working capital:</i>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	(4,115.08)	(4,994.28)
Inventories	223.68	537.54
Loans	(117.78)	(330.33)
Other financial assets - current	(98.69)	435.62
Other assets	(2,945.75)	(542.86)
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	6,844.07	2,867.48
Other financial liabilities - current	87.29	84.58

K & R RAIL ENGINEERING LIMITED



Other Provisions	1.47	4.90
Other current liabilities	(267.26)	783.35
Cash generated from operations	1,321.45	(103.49)
Direct & Indirect taxes paid	(565.77)	(226.15)
Net cash generated from/(used in) operating activities	755.68	(329.64)
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles (including capital work in progress)	(6.54)	(482.44)
Proceeds from sale of property, plant and equipment	-	-
(Increase) Decrease in Non Current Investments	-	-
Net cash used in investing activities	(6.54)	(482.44)
III. Cash flows from financing activities		
Proceeds from issue of Share Warrants	2,951.28	3,711.74
Proceeds from/(repayment of) long-term borrowings, net	(741.16)	(117.51)
Proceeds from/(repayment of) short-term borrowings, net	(369.89)	228.17
Interest paid	285.54	145.67
Redemption of Pref Shares	(6,500.00)	-
Net cash provided by financing activities	(4,374.23)	3,968.07
Net increase in cash and cash equivalents (I+II+III)	(3,625.09)	3,155.99
Cash and cash equivalents at the beginning of the year	4,198.52	1,042.53
Cash and cash equivalents at the end of the year (refer note below)	573.43	4,198.52

K & R RAIL ENGINEERING LIMITED



Note:

Cash and cash equivalents comprise:

Cash on hand	70.75	50.76
Balances with banks:	502.68	4,147.77
	573.43	4,198.52
Summary of significant accounting policies	3	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for P MURALI & CO.,
Chartered Accountants

ICAI Firm Registration Number: 007257S

for and on behalf of the Board of Directors
of
K&R RAIL ENGINEERING LIMITED
CIN:
L45200TS1983PLC082576

A.KRISHNA RAO
Mem No. 020085

Partner

**Amit
Bansal**

CEO
PAN:ACFP
B7608E

**Rabindra
K Barik**

Director
DIN:
08773785

**Maniza
Khan**

Director
DIN:
07146123

Place: Hyderabad

Date:13.07.2024

UDIN:

Kulkarni Prahlada rao

Chief Financial Officer

PAN: AKMPR1779B

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

		₹ in Lakhs
	No. of shares	Amount
a. Equity Share Capital		
Balance as at April 1, 2022	15,779, 355.00	1,577.9 4
Balance as at March 31, 2023	15,779, 355.00	1,577.9 4
Balance as at March 31, 2024	21,170, 579.00	2,117.0 6
b. Preference Share Capital	No. of shares	Amount
Balance as at April 1, 2022	14,114, 556.00	1,411.4 6
Balance as at March 31, 2023	14,114, 556.00	1,411.4 6
Balance as at March 31, 2024	13,298, 168.00	1,329.8 2
Total Share Capital		3,446.8 7
c. Consolidated Other equity		

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Particulars	Money received against Share Warrants	Reserves and Surplus		Foreign Exchange Translation Reserve	Capital Redemption Reserve	Non Controlling Interest	Total
		General reserve	Retained earnings				
At April 1, 2022	-	2,461.99			-	0	2,461.99
Profit for the year			628.12				628.12
Less: Adjustment to depreciation						0.01	(0.01)
Other comprehensive income			4.36				4.36
Transfer from Retained earnings to General reserve		632.48	(632.48)				-
Money received against issue of Share Warrants as at 31.03.2023	3,711.74						3,711.74
At March 31, 2023	3,711.74	3,094.47	-		-	0.01	6,806.22
Profit for the year			778.46				778.46
Add: Security Premium on conversion of Share Warrants		3,320.96					3,320.96

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Other comprehensive income			(2.46)	2.46		0	20.96
Transfer from Retained earnings to General reserve		776.00	(776.00)				(2.46)
Transfer to Capital Redemption Reserve		(81.64)			81.64		-
Premium on redemption of Optionally Convertible Pref Shares		(6,418.36)					(6,418.36)
Money received against issue of Share Warrants as at 31.03.2024	3,262.23						3,262.23
Less:Converted during the year	(3,860.12)						(3,860.12)
Balance as of 31 March 2024	3,113.85	691.43	-	2.46	81.64	0.01	3,890.51

During the year the Company has converted 53,91,224 Share Warrants into equity Shares @ Rs 71.60/- per share. The face value of the shares so converted into equity is Rs 10/- and the premium on such issue is Rs 61.60/- per Share.

During the year the Company has redeemed 8,16,388 Optionally Convertible Redeemable Preference Shares @ Rs 796.19/- per share. Accordingly the Company has transferred an amount of Rs 81,63,880/- being the face value of the shares so redeemed to 'Capital Redemption Reserve' account.

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

For P MURALI & CO.,

Chartered Accountants

ICAI Firm Registration
Number: 007257S

for and on behalf of the
Board of Directors of
**K&R RAIL
ENGINEERING
LIMITED**
CIN:
L45200TS1983PL
C082576

A.KRISHNA RAO

Mem No. 020085

Partner

Place: Hyderabad

Date: 13.07.2024

Amit Bansal **Rabindra K Barik**

CEO Director
PAN:A DIN:
CFPB7 087737
608E 85

Maniza Khan

Director
r
DIN:
071461
23

**Kulkarni
Prahada rao**
Chief Financial
Officer
PAN:
AKMPR1779B

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in
Lakhs

1 General Information

K&R Rail Engineering Limited ('the Company') (formerly known as Axis Rail India Limited) is a Public Limited Company having its registered office at Hyderabad, India. The Company is carrying on the business of providing end to end EPC services which includes Earth Work, Bridges & Civil Works, Track Works, Overhead Electrifications (OHE) works, Signaling & Telecommunication (S&T) works, Railway Operation & Maintenance (O&M) and Consultancy in preparing details DPRs and other allied activities.

The Company K&R together its subsidiaries is hereinafter referred to as "the Group".

2 Basis of preparation of financial statements

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on July, 13, 2024

Details of the accounting policies are included in Note 3.

Basis of Consolidation

The Company consolidates entities which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the Company and its Subsidiary companies M/s Robsons Engineering & Constructions Private Limited and KIR Global LLC-FZ, UAE. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using the power over the entity. Power is demonstrated through existing rights that give the ability to direct

K & R RAIL ENGINEERING LIMITED



relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date of control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. The financial statements are prepared applying uniform accounting policies in use at the Group. Non-controlling interest which represents part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly owned or controlled by the Company are excluded.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

Certain financial assets and liabilities are measured at fair value;

long term borrowings are measured at amortised cost using effective interest rate method.

2.3 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupees except share data, unless otherwise stated.

2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

2.5 Critical accounting judgements and key sources of estimation uncertainty Operating cycle

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant accounting policies

3.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- The recognition of revenue and expenses by reference to the stage of complete of a contract is referred to as the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed at the reporting date as per the IAS and Income Disclosure Standards.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

K & R RAIL ENGINEERING LIMITED



Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.4 Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

3.5 Taxation

K & R RAIL ENGINEERING LIMITED



Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.7 Property, plant and equipment

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

3.8 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

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3.9 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a Straight Line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company

The Company has componentised its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Such classes of assets and their estimated useful lives are as under:

Particulars	Useful life
Buildings	30 years
Plant and Machinery	9 years
Office Equipment	5 years
Computers	3 years
Furniture and Fixtures	10 years
Vehicles	8 years

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.



3.10	Intangible assets and amortisation						
-------------	---	--	--	--	--	--	--

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

3.11	Cash and cash equivalents						
-------------	----------------------------------	--	--	--	--	--	--

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

3.12	Cash flow statement						
-------------	----------------------------	--	--	--	--	--	--

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

3.13	Government grants						
-------------	--------------------------	--	--	--	--	--	--

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

3.14 Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired. An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

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3.15 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

3.16 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.17 Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.18 Financial instruments

a. Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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b. Classification and Subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
– amortised cost; – FVTPL

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Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales of financial assets in prior

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periods, the reasons for such sales and expectations about future sales activity. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount

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treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses
Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss

Financial liabilities: Classification, Subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

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that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Impairment

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses,

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except for the following, which are measured as 12 month expected credit losses: – debt securities that are determined to have low credit risk at the reporting date; and – other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the

Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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K&R RAIL Engineering Limited

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(CIN:L45200TG1983PLC082576)

(Formerly known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

4 Property, plant and equipment

Particulars	Office					Plant & Machinery	Total
	Land	Equipm ent	Furnit ure	Compu ters	Vehic les		
Deemed Cost At April 1, 2022	-	204.91	33.73	34.08	2,647.67	211.38	3,131.77
Additions	-	7.87	0.24	3.46	326.11	144.76	482.44
Deletions	-	-	-	-	-	-	-
At March 31, 2023	-	212.78	33.97	37.54	2,973.78	356.14	3,614.21
Additions	-	0.28	-	-	-	6.26	6.54
Deletions	-	-	-	-	-	-	-
At March 31, 2024	-	213.06	33.97	37.54	2,973.78	362.40	3,620.75
Accumulated depreciation At April 1, 2022	-	201.06	32.85	27.71	1,046.45	154.25	1,462.31
Charge for the year	-	1.93	0.56	3.82	236.12	68.26	310.69
Less: Adjustments	-	-	-	-	-	-	-

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At March 31, 2023

-	203.00	33.41	31.52	1,282.57	222.51	1,773.00
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Charge for the year

-	2.36	0.09	3.26	304.96	19.54	330.22
---	------	------	------	--------	-------	--------

Less: Adjustments

-	-	-	-	-	-	-
---	---	---	---	---	---	---

At March 31, 2024

-	205.36	33.50	34.79	1,587.53	242.05	2,103.22
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Carrying amount

At April 1, 2022

-	3.85	0.88	6.37	1,601.22	57.13	1,669.45
---	------	------	------	----------	-------	----------

At March 31, 2023

-	9.78	0.57	6.02	1,691.21	133.63	1,841.21
---	------	------	------	----------	--------	----------

At March 31, 2024

-	7.70	0.48	2.76	1,386.25	120.35	1,517.52
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(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

5 Investments

	31 March 2024	31 March 2023
Non-Current		
Unsecured, considered good		
Other Investments	12.16	12.16
Total	12.16	12.16

6 Deferred Tax Assets, net

	31 March 2024	31 March 2023
Deferred tax asset/(Liability)		
- Tangible assets-Depreciation Difference	29.75	17.21
Total	29.75	17.21

7 Inventories

	31 March 2024	31 March 2023
Work in Progress	227.08	450.75
Stock-	89.37	89.37
Total	316.45	540.13

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8 Trade receivables

	31 March 2024	31 March 2023
Unsecured, considered good	13,071.54	8,922.46
	13,071.54	8,922.46
Less: Allowance for doubtful receivables		
Total	13,071.54	8,922.46

Trade Receivables ageing schedule
for the year ended as at 31st March, 2024

Particulars			Outstanding for following		Total
months	1-2 Years	2-3 Years	< 6 Months >3 years	>6 >3 years	
to 1 Year					
Undisputed Trade Receivables					
			11220.72		
- considered good					13,071.54
646.68	33.38	517.83	652.91		4
- which have significant increase in credit risk					
Undisputed Trade Receivables					
-credit impaired					
-	-	-	-	-	-
Disputed Trade Receivables					
- considered good					
-	-	-	-	-	-
Disputed Trade Receivables					
-credit impaired					
-	-	-	-	-	-

Trade Receivables ageing schedule
for the year ended as at 31st March, 2023

Particulars			Outstanding for following		Total
months	1-2 Years	2-3 Years	< 6 Months >3 years	>6 >3 years	
periods from due date of payment					

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to 1 Year

Undisputed Trade Receivables				
- considered good		7559.70		
7772.51 - 3.31		1146.64		8,922.46
- which have significant increase in credit risk				
Undisputed Trade Receivables -credit impaired		-	-	-
-		-	-	-
Disputed Trade Receivables - considered good		-	-	-
-		-	-	-
Disputed Trade Receivables -credit impaired		-	-	-
-		-	-	-

The Management has considered the Receivables which are due more than 3 years as good and accordingly no provision for expected loss has been provided during the year.

9 Cash and cash equivalents

	31 March 2024	31 March 2023
Balances with banks:		
- On current accounts	50.78	1,556.17
Cash on hand	70.75	50.76
Total	<u>121.53</u>	<u>1,606.94</u>

10 Other Bank Balances

	31 March 2024	31 March 2023
Term deposits with Banks with original maturities of more than 3 months and less than 1 year*	451.89	2,591.59
Total	<u>451.89</u>	<u>2,591.59</u>

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*Represents margin money deposits
against bank guarantees .

1

1 Current

Unsecured, considered good

Retention Money

2,040.18 1,922.40

Total

2,040.18 1,922.40

1

2 Current tax assets

31 March 31 March
2024 2023

Advance taxes and TDS receivable

341.27 242.58

Total

341.27 242.58

1 Other assets

3

31 March 31 March
2024 2023

Current

Unsecured, considered good

Advances other than capital advances

Advances for Supplies

3,209.71 597.94

GST paid under Protest

150.00 -

Service Tax paid against Appeal

11.20 -

Salary Advances

0.32 0.90

Prepaid Expenses

4.75 12.20

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GST Input	28.33	6.27	4.00
Investment in Subsidiary	-	-	-
Loans to Subsidiary	-	-	-
Other Advances	219.43	60.68	-
Preliminary Expenses not written off	0.10	-	-
Total	3,623.74	677.99	

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(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

	₹ in Lakhs	
	31 March 2024	31 March 2023
1		
4		
Share Capital		
Authorised Share Capital		
Equity Shares		
3,08,50,000 (March 31, 2023: 3,08,50,000; equity shares of ₹ 10/- each	<u>3,085.00</u>	<u>3,085.00</u>
Preference Shares		
1,41,50,000 7% Optionally Convertible Preference Shares(March 31, 2023: 1,41,50,000;) equity shares of ₹ 10/- each	<u>1,415.00</u>	<u>1,415.00</u>
Issued, subscribed and fully paid-up		
Equity Shares		
1,57,80,105 (March 31, 2023: 1,57,80,105; April 1, 2022: 1,57,80,105) equity shares of ₹ 10/- each fully paid-up	1,578.01	1,578.01
Issued during the year	539.12	-
Less: Unpaid calls on 750 shares of Rs.10/-each	<u>0.08</u>	<u>0.08</u>
	<u>2,117.06</u>	<u>1,577.94</u>
1		
5		
Preference Shares		

K & R RAIL ENGINEERING LIMITED



1,41,14,556 (March 31, 2023: 1,41,14,556; April 1, 2022: 1,41,14,556) equity shares of ₹ 10/- each fully paid-up	1,411.46	1,411.46
Less: Redeemed during the year	81.64	-
	<u>1,329.82</u>	<u>1,411.46</u>

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Equity Shares

Particulars	31 March 2024		31 March 2023	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	15,779,355	1,577.94	15,779,355	1,577.94
Issued during the year	5,391,224	539.12	-	-
Outstanding at the end of the year	21,170,579	2,117.06	15,779,355	1,577.94

Preference Shares

Particulars	31 March 2024		31 March 2023	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	14,114,556	1,411.46	14,114,556	1,411.46
Issued during the year	-	-	-	-
Redeemed during the year	816,388	81.64	-	-
Outstanding at the end of the year	13,298,168	1,329.82	14,114,556	1,411.46

K & R RAIL ENGINEERING LIMITED



(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms / rights attached to the Preference shares

Preference shares carried a fixed non cumulative dividend of 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each. The Preference shares were issued on 15/12/2015 and the same should be converted or redeemed by 15/12/2020. However, as per the Board of Directors Meeting held on 18.12.2020, the Optionally Convertible Redeemable Preference Shares were extended for a period of 05 years from the due date of redemption. ie. by a period upto 18.12.2025. The preference share holders shall get a right over the equity shareholders in case of right to dividend as well as repayment of capital in case of winding up of the company. The preference share holders shall have limited voting right, which shall be confined to the rights to vote on those matters affecting their interest.

(c) Details of shareholders holding more than 5% shares in the Company

Equity Shares

Particulars	31 March 2024		31 March 2023	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
Ajaz Farooqi	3,868,365	18.27%	3,868,365	24.52%
Asma Farooqi	1,245,000	5.88%	1,245,000	7.89%
Aijaz Investments Pvt Limited	718,000	3.39%	718,000	4.55%
Asma Estates & Investments Pvt Limited	1,586,000	7.49%	1,586,000	10.05%
Shoeb Estates Pvt Limited	1,168,750	5.52%	1,168,750	7.41%
Zainab Investments Pvt Limited	1,075,750	5.08%	1,075,750	6.82%

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

Zara Investments Pvt Limited	2,155,015	10.18%	2,155,015	13.66%
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Preference Shares

Particulars	31 March 2024		31 March 2023	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
Ajaz Farooqi	3,602,818	27.09%	3,916,813	27.75%
Asma Farooqi	1,090,607	8.20%	1,593,000	11.29%
Aijaz Investments Pvt Limited	881,600	6.63%	881,600	6.25%
Asma Estates & Investments Pvt Limited	2,060,400	15.49%	2,060,400	14.60%
Shoeb Estates Pvt Limited	1,518,750	11.42%	1,518,750	10.76%
Zainab Investments Pvt Limited	1,396,750	10.50%	1,396,750	9.90%
Zara Investments Pvt Limited	2,747,243	20.66%	2,747,243	19.46%

1 Other equity

6

	31 March 2024	31 March 2023
General reserve		
Opening balance	3,094.47	2,461.99
Additions during the year	776.00	632.48
Add: Security Premium Reserve	3,320.96	
Less: Premium on Redemption of Pref Shares	(6,418.36)	
Closing balance	<u>773.07</u>	<u>3,094.47</u>
Non Controlling Interest	0.01	0.01
Capital Redemption Reserve	81.64	-

K & R RAIL ENGINEERING LIMITED



Retained earnings

Opening balance	0	0
Profit/(loss) for the year	778.46	628.13
Less: Adjustment due to Depreciation	-	-
Add: Other comprehensive income	(2.46)	4.36
Less: Transfer to General reserve	<u>(776.00)</u>	<u>(632.49)</u>
Closing balance	<u>-</u>	<u>-</u>
Money Received against Share Warrants	3,113.85	3,711.74
Other Comprehensive Income	<u>2.46</u>	<u>-</u>
Total other equity	<u>3,890.51</u>	<u>6,806.22</u>

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K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

	₹ in Lakhs	
	31 March 2024	31 March 2023
1		
7		
Borrowings		
Non-current Borrowings		
Secured loans		
Vehicle Loans from Banks & Financial Institutions (refer note 16B)	57.38	798.54
Total	<u>57.38</u>	<u>798.54</u>
Current Borrowings		
Secured loans		
Vehicle Loans from Banks & Financial Institutions (refer note 16A)	256.5	626.39
Total	<u>256.50</u>	<u>626.39</u>
Current		
Bank OD	89.3	50.31
Advance received from customers	2595.96	2,915.14
Statutory liabilities	49.25	36.32
	<u>2,734.51</u>	<u>3,001.77</u>
1		
8		
Provisions		

K & R RAIL ENGINEERING LIMITED



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	31 March 2024	31 March 2023
Non-Current		
Provision for Gratuity	51.80	48.38
	<u>51.80</u>	<u>48.38</u>
Current		
Provision for Gratuity	22.20	20.73
	<u>22.20</u>	<u>20.73</u>
1 Trade payables		
9		
	31 March 2024	31 March 2023
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 37)		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10513.68	3,669.61
	<u>10,513.68</u>	<u>3,669.61</u>

Figures for the Current Reporting Period

Particulars	outstanding for the following period from due date of payment			Total
	Less than 1Year Years	1-2 2-3 Years	More than 3 Years	
Total outstanding dues of MSME				

K & R RAIL ENGINEERING LIMITED



Total outstanding dues of creditors other than MSME	363.84	561.35	984.72	8
Disputed dues of MSME				
Disputed dues of creditors other than MSME				
		8603.75		105
Total	363.84	561.35	984.72	8

Figures for the Previous Reporting Period

Particulars	outstanding for the following period from due date of payment			Total
	1-2 Years	Less than 1 Year 2-3 Years	More than 3 Years	
Total outstanding dues of MSME	-	-	-	-
Total outstanding dues of creditors other than MSME				
		2095.09		366
	885.56	666.11	22.85	9.61
Disputed dues of MSME				
Disputed dues of creditors other than MSME				
		2095.09		366
Total	885.56	666.11	22.85	9.61

2 Other financial liabilities

0

	31 March 2024	31 March 2023
Current		
Outstanding expenses	0.24	3.55
Employee salaries payable	50.28	21.06
GST payable	11.79	22.09

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K&R RAIL Engineering Limited

Other Advances	133.52	60.35
Audit Fee Payable	3.95	5.50
	<u>199.78</u>	<u>112.55</u>
2		
1		
	31 March	31
	2024	March
		2023
Current		
Provision for taxes	352.8	301.07
	<u>352.80</u>	<u>301.07</u>

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Annexure-16A - Current

The details of rate of interest and repayment terms of other term loans are as under

S.No.	Particulars	Number of loans outstanding as on date		Outstanding Balance as at (₹ in lakhs)		Interest range % per annum	Balance number of instalments as at		Frequency instalments
		31.03.2024	31.03.2023	31.03.2024	31.03.2023		31.03.2024	31.03.2023	
1	Bank of Baroda	1.00	1.00	-	8.56	9.25 to 11.5%	0	12	monthly
2	HDFC bank Ltd	1.00	2.00	10.32	10.32	9.7 to 9.9%	39	51	monthly
3	ICICI Bank Ltd	1.00	1.00	-	1.21	8.66%	7	7	monthly
4	YES Bank	1.00	1.00	-	2.40	9.37%	18	18	monthly
5	Oriental Bank of Commerce	1.00	1.00	-	42.00	9.05	79	91	monthly
6	Axis Bank	1.00	2.00	114.99	288.00	9.55%	36	36	monthly
7	TATA Motors Finance Ltd	1.00	1.00	94.40	240.30		36	0	monthly
8	YES Bank	1.00	1.00	36.79	33.60				
				256.50	626.39				

Annexure-16B -Non Current

The details of rate of interest and repayment terms of other term loans are as under

S.No.	Particulars	Number of loans outstanding as on date		Outstanding Balance as at (₹ in lakhs)		Interest range % per annum	Balance number of instalments as at		Frequency instalments
		31.03.2024	31.03.2023	31.03.2024	31.03.2023		31.03.2024	31.03.2023	
1	Bank of Baroda	1.00	1.00	-	-	9.25 to 11.5%	25	25	monthly
2	HDFC bank Ltd	1.00	2.00	12.13	23.99	9.7 to 9.9%	51	51	monthly
3	ICICI Bank Ltd	1.00	1.00	-	-	8.66%	7	7	monthly

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4	YES Bank	1.00	1.00	-	1.36	9.37%	18	18	monthly
5	Oriental Bank of Commerce	1.00	1.00	-	344.06	9.05	79	79	monthly
6	Axis Bank	1.00	2.00	20.65	261.20	9.55%	36	36	monthly
7	TATA Motors Finance Ltd	1.00	1.00	-	103.35	7.75%		36	monthly
8	YES Bank	1.00	1.00	24.60	64.58				
				57.38	798.54				

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(CIN:L45200TG1983PLC082576)

(Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

	31 March 2024	31 March 2023
2 Revenue from operations		
2		
Gross Contract Receipts	58,667.01	9,184.00
Sale of Products	7,573.57	29,698.39
Consultancy income		103.00
	66,240.58	38,985.39
2 Other income		
3		
	31 March 2024	31 March 2023
Interest income	304.67	37.25
Dividend Income		
Reversal of excess Income Tax provision	45.36	-
	350.03	37.25
2 Cost of materials consumed		
4		
	31 March 2024	31 March 2023
Materials Consumed	60735.73	34,044.67
Total	60,735.73	34,044.67

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2 Changes in inventories of Stock in trade & 5 WIP

	31 March 2024	31 March 2023
Stock of land at the beginning of the year	89.37	89.37
WIP at the beginning of the year	450.75	988.30
Less: Stock of land at the end of the year	89.37	89.37
Less: WIP at the end of the year	227.08	450.75
(Increase) / Decrease in Stock in trade	<u>223.67</u>	<u>537.54</u>

2 Other operating expenses 6

	31 March 2024	31 March 2023
Work Expenses	2,677.27	1,695.42
Hire Charges	78.51	235.96
Site Expenses	78.35	49.53
Repairs & Maintenance	66.44	82.63
Transportation Charges	63.51	310.96
	<u>2,964.08</u>	<u>2,374.50</u>

2 Employee benefits expense 7

	31 March 2024	31 March 2023
Salaries & Other benefits	406.31	286.08
Contribution to Provident & Other funds	0.86	0.62

K & R RAIL ENGINEERING LIMITED



Staff welfare	4.81	13.52
Provision for Gratuity	4.90	4.90
	416.88	305.11
2		
8		
	31 March 2024	31 March 2023
Depreciation of tangible assets	330.22	310.69
	330.22	310.69
2		
9		
	31 March 2024	31 March 2023
Interest expenses on borrowings	147.27	130.69
Others		32.41
Bank Guarantee Commission	15.28	17.53
Bank Charges	4.74	2.29
	167.29	182.92
3		
0		
	31 March 2024	31 March 2023
Business Promotion	7.82	1.59
Donations	-	-
Power & Fuel	18.18	15.81

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Insurance	25.50	24.51
Office Maintenance	25.45	33.48
Printing and Stationery	6.62	3.48
Advertisement	5.08	2.01
Legal & Professional	54.67	80.23
Rates and Taxes	51.36	51.52
Rent	43.74	18.73
Communication Expenses	4.03	6.09
Travelling & Conveyance	76.60	32.50
CSR Expenditure	15.00	30.00
Other Expenses	317.24	76.51
Payment to Auditors		
Statutory Audit	7.70	5.25
	658.99	381.71

3 Tax expenses

1

	31 March 2024	31 March 2023
Current income tax:		
Current income tax charge	327.82	256.29
Deferred tax:		
Relating to originating and reversal of temporary differences	(12.53)	1.09
Income tax expense recognised in the statement of profit or loss	315.29	257.38

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

3 Contingent liabilities and commitments

2

The company has given bank guarantees which are outstanding as on 31.03.2024 is Rs.1315.00 and Rs.1490.94 Lakhs as on 31.03.2023.

3 Related party disclosures

3

The following table provides the name of the related party and the nature of its relationship with the Company:

a)

Name of the parties	Relationship
Zainab Investments Private Limited	Member / Shareholder
AF Consultants Prop:Mr Ajaz Farooqi	Member / Shareholder
Asma Estates & Investments Private Limited	Preference shareholder
Azmir Builders Private Limited	Member / Shareholder
Robsons Engineering & Constructions Private Limited	100% Subsidiary Company

Details of all transactions with related parties during the year:

b)

Particulars	31-Mar-24	31-Mar-23
i) Contract Income from		
Azmir Builders Private Limited	1,102.15	-
ii) Payment of Rent to		

K & R RAIL ENGINEERING LIMITED



	Asma Estates & Investments Private Limited	21.00	-
iii)	Advance for Services to		
	AF Consultants Prop: Mr Ajaz Farooqi	22.00	22.00
		-	-
iv)	Loan from Subsidiary		
	Robsons Engineering & Constructions Private Limited	126.71	(572.00)
v)	Managerial remuneration/ consultancy fee to Key managerial personnel*		
	Mr Amit Bansal -CEO	24.00	24.00
	Mr K R Prahlada Rao - CFO	12.00	12.00
	Mr Chandrakanth - Company Secretary	4.20	-

Terms and conditions of transactions with related

c) parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

34 Segment information

Ind AS 108 “Operating Segment” (“Ind AS 108”) establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the “management approach” as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company’s performance and allocates resources on overall basis.

The Company has no reportable segments accordingly.

35 Auditors’ remuneration include:

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
Statutory audit fee (including limited review)	6.50	5.00	5.00
Total	6.50	5.00	5.00

36 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (‘The MSMED Act’) is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	31-03-2024	31-03-2023	31-03-2022
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil

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c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil	Nil

37 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31-Mar-24	31-Mar-23
Profit for the year attributable to equity share holders	776.00	632.48
Shares		
Weighted average number of equity shares outstanding during the year – basic	168.10	157.79
Weighted average number of equity shares outstanding during the year – diluted	414.62	157.79
Earnings per share		
Earnings per share of par value ₹ 10 – basic (₹)	4.62	4.01
Earnings per share of par value ₹ 10 – diluted (₹)	1.87	4.01

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

#VALUE!

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in
Lakhs

3 Financial risk management objectives 8 and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions. The below assumption has been made in calculating the sensitivity analysis: The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant,

K & R RAIL ENGINEERING LIMITED



the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2024		
INR	+1%	1.13
INR	-1%	(1.13)
March 31, 2023		
INR	+1%	1.56
INR	-1%	(1.56)

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

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Allowance for credit loss	31-Mar-24	31-Mar-23
Opening balance	-	-
Credit loss provided/ (reversed)	-	-
Closing balance	-	-

There is no concentration of revenue as there is no customer which accounts for more than 10% of the revenue.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Total
Year ended March 31, 2024		
Borrowings	313.88	313.88
Trade payables	-	-
Year ended March 31, 2023		
Borrowings	1,424.93	1,424.93
Trade payables	-	-

3 Capital management

K & R RAIL ENGINEERING LIMITED



The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2024, March 31, 2023 and April 1, 2022 was as follows:

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
Total equity attributable to the shareholders of the Company	7,130	9,690	6,075
As a percentage of total capital	95.78%	87.18%	82.22%
Long term borrowings including current maturities	57	799	916
Short term borrowings	256	626	398
Total borrowings	314	1,425	1,314
As a percentage of total capital	4.22%	12.82%	17.78%
Total capital (equity, preference and borrowings)	7,444	11,115	7,389

The Company has converted 53,91,224 Share Warrants of face value of Rs 10/-at an issue price of Rs 71.60 into Equity shares during the 1st and 2nd quarters of the FY 2023-24 and a certificate in this regard has been obtained from the then statutory auditors M/s. Chowdary & Rao, Chartered Accountants

The Company has originally passed a Resolution in their EGM dated 10th February, 2023 for objects of the preferential issue/particulars of the offer. Subsequently, the Company has passed resolution for Modification of the objects of the preferential issue in the EGM dated 6th July, 2024 to include the utilisation of proceeds of Share warrants for Redemption of optionally convertible Redeemable Preference Shares.

4
2 **Legal cases:**

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

The Company had signed an agreement with Paradip Port Trust under the name 'K.V.R. Rail Infra Projects Private Limited for 'Railway Work for Deep Draught berths at Paradip Port' for the Contract price of Rs.98.67 Crores. The Letter of Intent (LOI) was issued on 06.06.2011 by the Paradip Port Trust. Subsequently by the order dated 13.10.2014 of Hon'ble High Court of Andhra Pradesh, Hyderabad, the Company has merged with 'Axis Rail India Limited'. Subsequently the name of the Company has been changed from 'Axis Rail India Limited' to 'K&R Rail Engineering Limited'.

The Paradip Port Trust (PPT) has terminated the contract and issued letter dated 26.09.2013 on the ground that the Company had sublet the contract to third party. Aggrieved by this termination of the Contract, the Company had filed a petition before the Arbitral Tribunal of Hon'ble DR.Justice A.K.Rath, Former Judge, High Court of Orissa (Sole Arbitrator) vide Arbitration Proceeding No. 3 of 2020. The Company had claimed the following in the petition filed.

(i) Refund of Retention

Money:

The Company claimed Refund of Retention Money for an amount of Rs 4.34 Crores with interest @9% p.a. with effect from 26.09.2013. Thus total Retention Money claimed with interest is Rs.8.64 Crore.

(ii) Refund of the invoked

Bank Guarantee

The Company had furnished a Performance Bank Guarantee for a sum of Rs.97.67 lakhs. The PPT had issued a show cause notice on 18.06.2013. In response to the show cause notice the Company through its Lawyer replied on 27.06.2013. However, the PPT had encashed the Bank Guarantee on 24.07.2013. Hence the Company filed petition before the Arbitral Tribunal of Hon'ble Dr Justice A.K.Rath, Former Judge, High Court of Orissa (Sole Arbitrator) vide Arbitration Proceeding No.3 of 2020 and claimed for refund of the Bank Guarantee of Rs. 97.67 lakhs with interest @9% p.a with effect from 24.07.2013. Thus the total claim under this head is Rs.150.42 lakhs.

Legal Cses (Contd..)

(iii) Idling Charges:

The Company had incurred additional expenditure towards equipment hiring charges for the period from February 2013 to August 2013 amounted to Rs.700 lakhs. Hence the Company claimed towards idling charges for an amount of Rs.700 lakhs with interest @9% p.a. with effect from 01.09.2013. Thus the total claim under this head is Rs.11.09 Crore with interest.

(iv) Claim for Final Bill:

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

The Company raised final bill for Rs.95.37 lakhs on 07.06.2013 towards the work done and materials supplied. The PPT has not paid the same. Hence the Company claimed for Rs.95.37 lakhs with interest @9% p.a. with effect from 01.09.2013. Thus total claim under this head is Rs.1.51 Crore.

The case is still under process. Pending the out come of the petition the claims for idling charges were not recognised in the financial statements as at 31.03.2024. The case is not posted yet for hearing.

4

3 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For P MURALI & CO.,

Chartered Accountants
ICAI Firm Registration
Number: 007257S

for and on behalf of the Board
of Directors of
**K&R RAIL ENGINEERING
LIMITED**
CIN:
L45200TS1983PLC082576

A.KRISHNA RAO

Mem No. 020085

Partner

Place: Hyderabad

Date: 13.07.2024

**Amit
Bansal**

CEO
PAN:ACFP
B7608E

**Kulkarni Prahlada
rao**
Chief Financial
Officer
PAN: AKMPR1779B

**Rabindra K
Barik**

Direct
or
DIN: 08773785

**Maniza
Khan**

Director
DIN: 07146123

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

Consolidated Balance Sheet as at 31st March 2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

RATIO ANALYSIS

Particulars	Numerator/Denominator	31-Mar-24	31-Mar-23	Change in %
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.42	2.13	-33.56%
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Equity}}$	1.93	0.88	120.80 %
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Interest + Installments}}$	1.85	1.53	20.73%
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$	9.06%	6.46%	40.30%
(e) Inventory turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Inventories}}$	154.67	72.18	114.28 %
(f) Trade receivables turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	6.02	NA	NA
(g) Trade payables turnover ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	8.56	NA	NA
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	9.03	3.98	126.84 %
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	1.17%	1.62%	-27.79%

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

(j) Return on Capital employed	$\frac{\text{Net Profit}}{\text{Capital Employed}}$	10.58%	6.46%	63.80%
(k) Return on investment	$\frac{\text{Return on Investment}}{\text{Total Investment}}$	67.42%	1.44%	4590.53 %

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED
(Formerly AXIS RAIL INDIA LIMITED)
DEPRECIATION AS PER INCOME TAX ACT, 1961

As on
31-03-
2022

Assmt.
Year : 2021
2020-21 -22

WRITTEN DOWN VALUE					DEPRECIATION				WDV as on 31- 03- 2022
As on 01-04- 2021	Additions before 30.9. 21	Additions after 30.9. 21	Total Additions	As on 31- 03- 2022	Rate (%)	FULL YEAR	HALF YEAR	Total	
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	10.0 0	-	-	-	-
3,374,370	-	-	-	3,374,370	15.0 0	506,155	-	506,155	2,868,214
1,011,011	-	2,542	2,542	1,013,553	10.0 0	101,101	127	101,228	912,325
366,268	-	-	-	366,268	15.0 0	54,940	-	54,940	311,327
5,808,245	-	17,000	17,000	5,825,245	15.0 0	871,237	1,275	872,512	4,952,734
6,317,914	-	296,024	296,024	6,613,938	15.0 0	947,687	22,202	969,889	5,644,049
351,588	-	-	-	351,588	15.0 0	52,738	-	52,738	298,850
121,892,037	-	9,340,934	9,341,049	131,231,212	15.0 0	18,283,806	700,579	18,984,385	112,246,827

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

		1,049		33,086				84,384	48,702
127,986			-	127,986	15.00	19,198	-	19,198	108,788
2,303			-	2,303	15.00	345	-	345	1,957
316,061	347,956	30,086	378,042	694,103	40.00	265,607	6,017	271,624	422,479
139,567,782	347,956	9,686,701	10,034,657	149,602,439		21,102,814	730,200	21,833,014	127,769,425

K & R RAIL ENGINEERING LIMITED



K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)

Consolidated Balance Sheet as at 31st March 2024

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

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(f) Trade receivables turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	6.02	NA	NA
(g) Trade payables turnover ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	8.56	NA	NA
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	9.03	3.98	126.84%
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K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

(j) Return on Capital employed	$\frac{\text{Net Profit}}{\text{Capital Employed}}$	10.58%	6.46%	63.80%
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K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

K&R RAIL ENGINEERING LIMITED

(Formerly AXIS RAIL
INDIA LIMITED)

DEPRECIATION AS PER INCOME TAX ACT, 1961

As on
31-03-
2022

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Year : 2021
2020-21 -22

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-	-	-	-	-	10.0 0	-	-	-	-
3,374,370	-	-	-	3,374,370	15.0 0	506,155	-	506,155	2,868,214
1,011,011	-	2,542	2,542	1,013,553	10.0 0	101,101	127	101,228	912,325
366,268	-	-	-	366,268	15.0 0	54,940	-	54,940	311,327
5,808,245	-	17,000	17,000	5,825,245	15.0 0	871,237	1,275	872,512	4,952,734
6,317,914	-	296,024	296,024	6,613,938	15.0 0	947,687	22,202	969,889	5,644,049
351,588	-	-	-	351,588	15.0 0	52,738	-	52,738	298,850

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited

121,89 2,037	9,34 1,04 9	9,341 ,049	131,2 33,08 6	15.0 0	18,28 3,806	700,579	18,9 84,3 84	112,2 48,70 2	
127,98 6		-	127,9 86	15.0 0	19,19 8	-	19,1 98	108,7 88	
2,303		-	2,303	15.0 0	345	-	345	1,957	
316,06 1	347,9 56	30,0 86	378,0 42	694,1 03	40.0 0	265,6 07	6,017	271, 624	422,4 79
139,56 7,782	347,9 56	9,68 6,70 1	10,03 4,657	149,6 02,43 9		21,10 2,814	730,200	21,8 33,0 14	127,7 69,42 5

K & R RAIL ENGINEERING LIMITED



K&R RAIL Engineering Limited